



**State of Minnesota
Consolidated Annual Performance
and Evaluation Report
for Federal Fiscal Year 2010**

Submitted to the U. S. Department of
Housing and Urban Development
December 2010

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Executive Summary

Minnesota has three fundamental objectives in the distribution of housing and community development resources: to create suitable living environments, to provide decent affordable housing, and to create economic opportunities within the state.

The ***Minnesota Consolidated Housing and Community Development Plan*** presents the state's strategy (a five-year plan with annual action updates) for using federal funds to meet these objectives and serves as a condition for funding of: the Small Cities Development Program (SCDP), HOME Investment Partnerships Program, Housing Opportunities for Persons with AIDS (HOPWA), and Emergency Shelter Grants (ESG). The most current five-year plan is the ***Consolidated Housing and Community Development Plan, FY 2007-2011***. The most recent approved annual action plan is the ***Action Plan for Housing and Community Development FY2010*** submitted to the U.S. Department of Housing and Urban Development in December 2009.

The ***Consolidated Annual Performance and Evaluation Report (CAPER)*** provides information with which to measure state agency performance in meeting objectives established in the previous year's action plan. The most recent CAPER is the ***Consolidated Annual Performance and Evaluation Report (CAPER) for FFY 2010*** submitted to the U.S. Department of Housing and Urban Development in December 2010.

The largest number of households that the state assisted in 2010 using HUD resources was through Emergency Shelter Grants to assist people experiencing homelessness. Assistance helps to cover operating costs for emergency shelter facilities as well as supportive services to individuals or families; ESG funding is also used for homelessness prevention activities. The largest dollar amount that the state provided in 2010 using HUD resources was through the Small Cities Development Program to assist communities with public facilities projects, economic development, and housing rehabilitation. In working toward its goals in FFY 2010, the state received allocations from HUD and spent federal funds in the following amounts:

- Small Cities Development Program: \$22,098,274 allocated to create economic opportunities and suitable living environments; \$22,084,911 awarded;
- HOME: \$10,470,533 allocated for decent affordable housing; \$9,016,695 disbursed;
- Emergency Shelter Grants: \$1,240,248 allocated for suitable living environments; \$1,240,248 disbursed; and
- Housing Opportunities for Persons with AIDS: \$137,625 allocated for decent affordable housing; \$120,242 disbursed.

State of Minnesota
Consolidated Annual Performance and
Evaluation Report for
Federal Fiscal Year 2010

Introduction

On behalf of the State of Minnesota, Minnesota Housing, the Minnesota the Department of Employment and Economic Development (DEED), and the Minnesota Department of Human Services (DHS) submit the **Consolidated Annual Performance and Evaluation Report** (CAPER) to the U. S. Department of Housing and Urban Development (HUD) for Federal Fiscal Year 2010. This is in fulfillment of HUD's requirements for the consolidating planning and fund application process as provided by Code of Federal Regulations, title 24, section 91.520.

The **Minnesota Consolidated Housing and Community Development Plan** presents the state's strategy for using federal funds to meet specific housing and community development needs under the: Small Cities Development Program (SCDP); HOME Investment Partnerships Program; Housing Opportunities for Persons with AIDS (HOPWA); and Emergency Shelter Grants (ESG).

This CAPER summarizes assistance provided through state agencies in Federal Fiscal Year 2010 (October 1, 2009 through September 30, 2010). The report includes a discussion of the resources available to the state, the way in which state agencies used those resources, the number and types of households assisted, and how other public policies affected affordable and supportive housing and community development (note the Self-Evaluation section and program narratives). Information in this report should enable a comparison between anticipated and actual assistance activities, as well as progress toward meeting objectives identified in the **Consolidated Housing and Community Development Plan, FY 2007-2011**.

Federal assistance reported in the CAPER generally is available to households in nonentitlement areas of the state; entitlement areas submit performance reports on housing and community development assistance in their own jurisdictions separately. HOME downpayment assistance (referred to as HOME HELP) and HOME-funded rehabilitation loans to low-income homeowners are available statewide through Minnesota Housing participating lenders and administrators. The Asset Management program was available statewide and administered directly by Minnesota Housing. Entitlement communities or counties that receive funding allocations directly (and therefore are **not** covered by the state's Consolidated Plan and annual performance reports) include: the cities of Minneapolis, Saint Paul, Moorhead, Saint Cloud, Rochester, Duluth, Mankato and North Mankato, and the counties of Hennepin (which includes the cities of Bloomington and Plymouth), Anoka, Dakota, Ramsey, Washington, Saint Louis, Cook, Koochiching, Lake, and Itasca.

Access to Data

The following reports are available upon request from Minnesota Housing, DEED, or DHS:

- PR06—a list of all projects for a plan year by project number, including disbursements by program for each project's activities.

- PR12— a financial report for ESG.
- PR23—a series of reports that present demographic data on CDBG and HOME beneficiaries, including household distributions by race/ethnicity and income group.

IDIS reports may be obtained from Minnesota Housing at: 400 Sibley, Suite 300, Saint Paul, MN 55101 or by calling 1-800-657-3769 (toll free) or 651-296-7608 or by e-mails to mn.housing@state.mn.us. Additional information on HOME and HOPWA funding selections also is available from: <http://www.mnhousing.gov>

Information and details concerning residential and rental rehabilitation projects for 2010 can also be found in DEED's *Performance Evaluation Report (PER)*. The PER as well as information regarding job creation and community development can be obtained by contacting DEED at: Minnesota Department of Employment and Economic Development, Main Office, 332 Minnesota Street, Suite E-200, Saint Paul, MN 55101 or 651-259-7114, 888-GET-JOBS (438-5627), Fax 651-296-0994, TTY/TDD 651-282-5909. Additional information also is available at: www.deed.state.mn.us/Community/

Additional information regarding ESG projects or activities is available through DHS at: Minnesota Department of Human Services, Office of Economic Opportunity, P.O. Box 64962, Saint Paul, MN 55164-0962 or (651) 431-3824 or at: http://www.dhs.state.mn.us/main/idcplg?IdcService=GET_DYNAMIC_CONVERSION&RevisionSelectionMethod=LatestReleased&dDocName=id_002552

I. Summary of Resources and Distribution of Funds

In working toward its goals in FFY 2010, the state received allocations from HUD and spent federal funds in the following amounts:

- Small Cities Development Program: \$22,098,274 allocated to create economic opportunities and suitable living environments; \$22,084,911 awarded;
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- Housing Opportunities for Persons with AIDS: \$137,625 allocated for decent affordable housing; \$120,242 disbursed.

This CAPER does not report on Minnesota's current or planned participation in federal economic stimulus programs created by the Housing and Economic Recovery Act of 2008 (HERA) or the American Recovery and Reinvestment Act of 2009 (ARRA). Jurisdictions report on these programs separately according to the respective program requirements. For more information on ARRA resources allocated to the state, visit this website: <http://www.mnhousing.gov/>

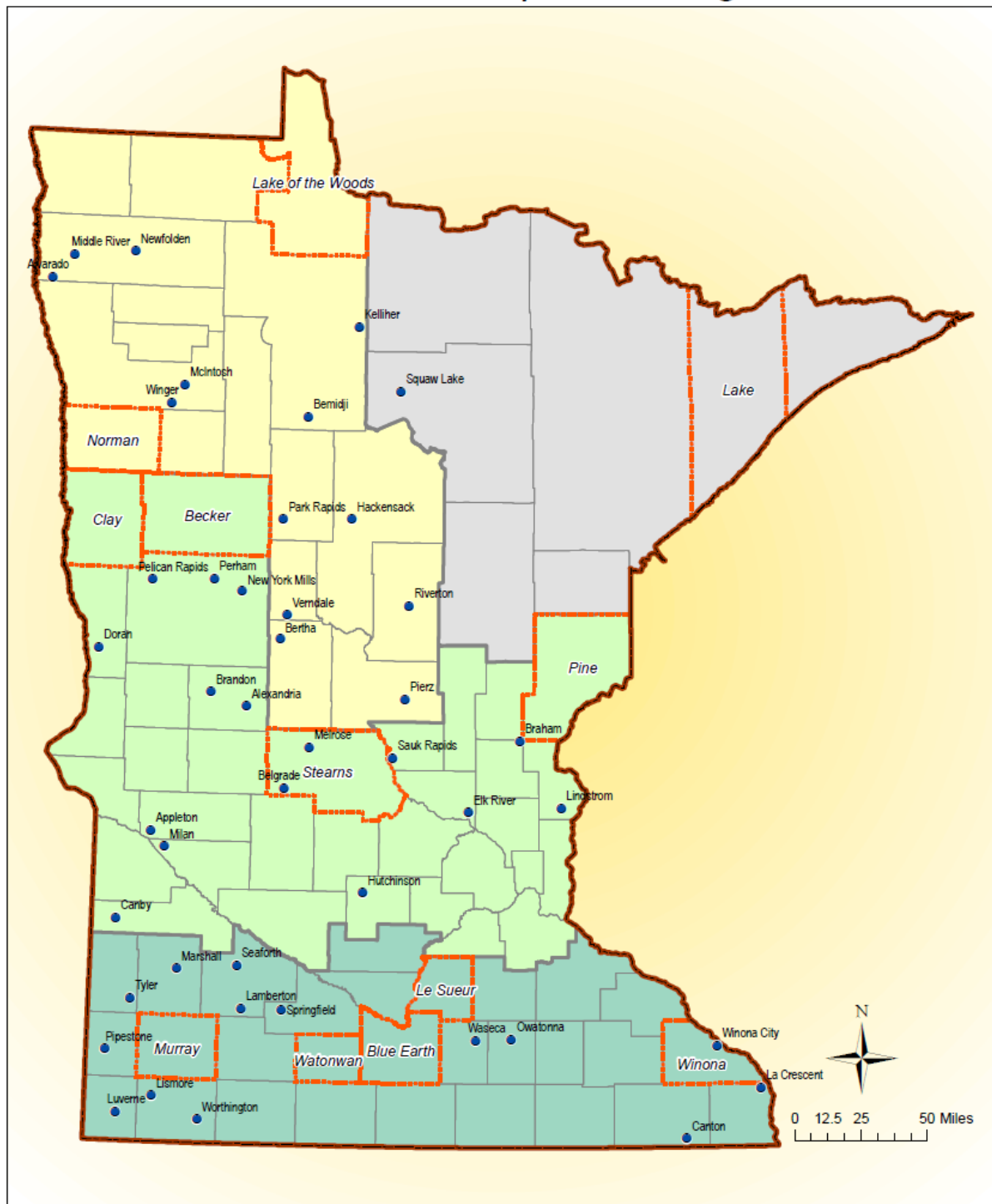
Minnesota historically has received the largest amount of assistance from HUD for housing and community development under the Small Cities Development Program (SCDP), administered through the Department of Employment and Economic Development (DEED).

Eligible applicants for the SCDP funds are cities, counties and townships in areas of the state that do not qualify as entitlement entities and, therefore, are not eligible to receive an allocation of Community Development Block Grant funds directly from HUD. These are cities with a population under 50,000 and counties and townships with an unincorporated population of fewer than 200,000.

The state awards SCDP funds to applicants on a competitive basis; communities may use funds for public facilities, economic development, downtown commercial revitalization, residential housing rehabilitation (owner and renter occupied), new housing construction, homeownership assistance, and relief from flood or other natural disasters. In order to be considered eligible, an applicant must be in substantial compliance with all applicable State and Federal laws, regulations and Executive Orders that pertain to the CDBG Small Cities Development Program.

2010 Awarded Projects

Small Cities Development Program



HOME funds historically have comprised Minnesota's second largest allocation of federal grant housing assistance, currently available primarily for downpayment assistance to first-time homebuyers. Minnesota Housing provides the HOME funds it receives from HUD for single-family housing rehabilitation through local entities such as community action agencies, local units of government, and local housing authorities. Downpayment assistance is provided through Community Activity Set-Aside lenders. HOME downpayment assistance and rehabilitation for homeowners is available statewide.

Minnesota Housing also receives the state's allocation of HOPWA formula funds from HUD. The agency administers HOPWA funds in cooperation with the Minnesota HIV Housing Coalition in Greater Minnesota. The City of Minneapolis receives and allocates funds in the 13-county Twin Cities area.

The Department of Human Services (DHS) administers federal funds from HUD under the Emergency Shelter Grant (ESG). ESG provides assistance to grantees throughout the state for the operating costs of shelters and essential services. The state selects grantees on a competitive basis. The reporting year for the CAPER overlaps two ESG state fiscal years, 2010 (7/1/2009– 6/30/2010) and 2011 (7/1/2010– 6/30/2011). Below is the ESG funding awards for each state fiscal year:

ESG Funding Awards

Agency	2010 ESG allocation	2011 ESG allocation
Ain Dah Yung	20,000.00	20,000.00
Anoka County Community Action Program, Inc.	20,000.00	20,000.00
Arrowhead Economic Opportunity Agency, Inc.	56,500.00	56,500.00
Avenues for Homeless Youth	29,250.00	29,250.00
Bi-County Community Action Program, Inc.	7,750.00	7,750.00
Care and Share Center, Inc.	46,718.00	46,718.00
Catholic Charities - Hope Street	25,000.00	25,000.00
Catholic Charities of the Archdiocese of St Paul and Minneapolis	55,460.00	55,460.00
Churches United for the Homeless	70,000.00	70,000.00
Churches United in Ministry (CHUM)	35,000.00	35,000.00
Community Action Center of Northfield, Inc.	20,000.00	20,000.00
East Metro Women's Council	15,000.00	15,000.00
Families Moving Forward	54,500.00	54,500.00
Heartland Community Action Agency, Inc.	24,000.00	24,000.00
Inter-County Community Council, Inc.	10,000.00	10,000.00
KOOTASCA Community Action, Inc.	35,000.00	35,000.00
Lakes and Pines Community Action Council, Inc.	17,150.00	17,150.00
Lutheran Social Service of Minnesota (St. Paul - TLPY)	20,000.00	20,000.00
Mahube Community Council, Inc.	17,500.00	17,500.00
Motivation, Education & Training, Inc.	19,369.00	19,369.00
New Pathways	40,000.00	40,000.00
Otter Tail-Wadena Community Action Council, Inc.	16,000.00	16,000.00
Our Saviour's Outreach Ministries	54,860.00	54,860.00
Ours to Serve House of Hospitality, Inc	55,000.00	55,000.00
Partners for Affordable Housing	53,000.00	53,000.00
Red Lake Homeless Shelter, Inc.	37,500.00	37,500.00
Ain Dah Yung	20,000.00	20,000.00
Anoka County Community Action Program, Inc.	20,000.00	20,000.00
Arrowhead Economic Opportunity Agency, Inc.	56,500.00	56,500.00
Avenues for Homeless Youth	29,250.00	29,250.00
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Mahube Community Council, Inc.	17,500.00	17,500.00
Motivation, Education & Training, Inc.	19,369.00	19,369.00
New Pathways	40,000.00	40,000.00
Otter Tail-Wadena Community Action Council, Inc.	16,000.00	16,000.00
Rise Housing Services, Inc.	15,000.00	15,000.00
Ruth's House of Hope	20,000.00	20,000.00
Saint Paul Area Council of Churches	54,500.00	54,500.00
Salvation Army (Brainerd)	4,000.00	4,000.00
Salvation Army (Rochester)	5,000.00	5,000.00
Salvation Army (St. Cloud)	46,500.00	46,500.00
Scott-Carver-Dakota CAP Agency, Inc.	19,000.00	19,000.00
Semcac	26,000.00	26,000.00
Simpson Housing Services, Inc.	54,860.00	54,860.00
St. Stephen's Human Services	54,860.00	54,860.00
West Central Minnesota Communities Action, Inc.	10,000.00	10,000.00
Western Community Action, Inc.	14,000.00	14,000.00
Rise Housing Services, Inc.	15,000.00	15,000.00

The state also receives allocations of federal funds to provide assistance that do not meet HUD reporting guidelines for the CAPER and therefore are not included in the assessment of the state's performance toward meeting goals for housing and community development assistance to households. These allocations are discussed below:

Minnesota Housing is the state's principal allocator of federal Housing Tax Credits and sells revenue bonds, both of which are activities important to the provision of affordable housing and are authorized in the federal tax code. In 2010, the state reserved \$11.6 million in credits for the development of affordable rental housing.

DHS receives funding allocations from the U.S. Department of Health and Human Services, Substance Abuse and Mental Health Services Administration (SAMHSA) under Projects for Assistance in Transition from Homelessness (PATH). PATH funds may provide outreach, screening and treatment, referrals, housing assistance, support services, linkage with mental health services, and other types of assistance for homeless adults with a serious mental illness. In 2010, Minnesota received \$748,000 of the PATH funds available through SAMHSA.

The U.S. Departments of Energy and Health and Human Services make funds available to the state for weatherization, energy assistance, and energy-related repair. The Minnesota Department of Commerce receives and allocates these funds to community action agencies, counties, and Indian reservations on a formula basis for direct delivery at the local level. In 2010, 1,310 of Minnesota Housing's home improvement loan borrowers who made qualifying energy-saving changes to their property qualified to receive Energy Saver Rebates from the Department of Commerce. The rebates were funded primarily through \$4 million in federal stimulus funds

The Minnesota Department of Public Safety receives an allocation of federal funds annually, a portion of which may be used to provide operating assistance and other related assistance to emergency shelters for battered women and their children.

In FFY 2010, Minnesota Housing expended nearly \$71 million of federal Section 8 Housing Assistance Payments to assist more than 12,000 households occupying Minnesota Housing-financed rental housing built under the New Construction component of the Section 8 program. Minnesota Housing, under a contract with HUD, also expended \$101 million in federal Section 8 Housing Assistance Payments for more than 18,000 households occupying HUD or conventionally financed housing. Minnesota Housing also expended \$1.6 million in federal Section 236 funds in FFY 2010 for interest reduction payments on Minnesota Housing-financed developments.

Minnesota Housing received \$3,101,166 from NeighborWorks in 2010 to provide counseling and legal assistance to homeowners under the federally funded National Foreclosure Mitigation Counseling Program. A total of \$3,251,193 (including funds from a previous allocation) made available through the state's Homeownership Education, Counseling, and Training Program assisted an estimated 10,390 households.

HUD finances rental housing development in Minnesota through Section 202 Supportive Housing for the Elderly and Section 811 Supportive Housing for Persons with Disabilities.

**HUD Awards for Affordable Housing Assistance in Minnesota,
FFY 2010**

Description	Project location	Number of units	Capital advance	Rental subsidy
Section 202	Minneapolis	47	\$6,778,000	\$566,400
Section 202	Minneapolis	42	\$6,056,900	\$506,100

Minnesota also provides housing and community development assistance through a variety of state or agency-funded programs or through the sale of tax-exempt revenue bonds. Activities include: downpayment assistance and homeownership financing to first-time buyers; loans to homeowners to improve the property they occupy; foreclosure remediation; deferred loans or grants to communities to meet local revitalization needs; and construction, acquisition, and rehabilitation of affordable rental housing through first mortgages, deferred loans, and operating subsidies to housing sponsors.

The Minnesota Legislature appropriates funds for homeownership education, counseling and training, and foreclosure prevention assistance as well as Family Homeless Prevention and Assistance. Under the state-funded Capacity Building Grant Program and the Minnesota Housing-funded Nonprofit Capacity Building Revolving Loan Program, the state provides assistance to local nonprofit organizations to increase their capacity to meet local housing needs.

With various DEED funding sources and programs available, communities can undertake activities to strengthen communities and their housing stock in a coordinated and simultaneous approach. DEED provides resources for cleanup of contaminated sites through its state-funded Contaminated Cleanup and Redevelopment. The Public Facilities Authority lends funds to communities for sewer improvement and water improvement projects.

The Minnesota Department of Human Services serves more than 16,000 elderly and disabled people per month under the state-funded Group Residential Housing program (GRH). This is a state-funded income supplement program that pays room-and-board costs for low-income adults who have been placed in a licensed or registered setting with which a county human service agency has negotiated a monthly rate.

Minnesota state agencies report to the Governor and the public at least annually on their performance toward achieving established goals. The progress of state agencies toward achieving their overall goals is measured by a variety of indicators; results may be reviewed at: www.accountability.state.mn.us/

II. General CAPER Narratives

A. Assessment of the Three- to Five-Year Goals and Objectives

Minnesota's objectives in the distribution of housing and community development resources are to create suitable living environments; provide decent, affordable housing; and create economic opportunities within the state.

The resources of state agencies provide the greatest amount of assistance for affordable housing in Minnesota. The most abundant resource available to states for affordable housing assistance continues to be proceeds from the sale of revenue bonds.

Appropriations from the Minnesota Legislature are an important resource that supports housing and community development programs, and Minnesota Housing uses some of its own resources, such as reserves, to provide additional leverage in projects that may not have access to adequate sources of funding for affordable housing or housing for people with special needs.

The largest number of people that the state assists with federal resources is through ESG, assisting people experiencing homelessness. Assistance includes operating and supportive service costs for emergency shelter facilities.

The largest amount of assistance that the state provides with federal resources is through the Small Cities Development Program funded by CDBG, particularly for the rehabilitation of owner-occupied homes and the improvement of public facilities.

With continuing economic difficulties, the state has been unable to meet production goals in some programs, e.g., those housing and community development programs funding construction and rehabilitation. The Self-Evaluation section provides a more detailed analysis of the state's progress toward meeting goals.

B. Affirmatively Furthering Fair Housing

DEED requires all grantees to develop a fair housing plan that affirmatively furthers fair housing. SCDP grantees also must consider equal employment opportunity and affirmative action throughout the life of their grants in all activities and grant administration. At the annual Implementation Workshop held for new grantees, equal employment opportunity requirements are discussed and a handbook is distributed which details the statutory requirements and the actions which need to be taken or suggested be taken. Grantees are required to include equal opportunity language in all contracts; engineers and architects include equal opportunity materials (including EO 12846, Section 3 Clause, Uniform Administrative Requirements, and a list of applicable laws) in all bidding and contract documents. Equal employment opportunity actions and requirements are discussed at pre-construction conferences and other forums as appropriate. Grantees report to DEED, annually, on the number and amount of contracts that were awarded to women- or minority-owned businesses and Section 3 businesses.

The Minnesota Housing HOME team assesses the success of affirmative marketing efforts in the HOME Rental Rehabilitation Program. In counties with significant populations of people of color, Minnesota Housing staff compare predetermined occupancy goals with actual occupancy data maintained by local administrators and Census data for the city or county in which developments are located, e.g., data on renters of color, people with disabilities, and female-headed families. Minnesota Housing may require corrective actions, such as more extensive outreach efforts to appropriate communities or organizations, to achieve the rental occupancy goals representative of the demographics in an area. Examples of outreach efforts to inform and solicit applications from those least likely to apply include the use of: community organizations, churches, employment centers, fair housing groups, housing counseling agencies, or other organizations that provide services to, or have as members, people in groups considered least likely to apply.

Minnesota Housing's Administrative Procedures Manual, Administrative Monitoring Checklist, and File Compliance and Property Inspection Checklists for the HOME Rental Rehabilitation Program promote the understanding of affirmative fair housing compliance

(including monitoring of Affirmative Fair Housing Marketing Plans). Minnesota Housing has required that property owners submit Affirmative Fair Housing Marketing Plans for the marketing and occupancy of units assisted in developments of five units or more. Owners must update these marketing plans at least once every three years.

The state has prepared an *Analysis of Impediments to Fair Housing Choice* that identifies conditions that may act as impediments to fair housing in these main areas:

- homeownership: access to credit and to information about the buying process and limited affordability in some areas of the state;
- private rental housing: discrimination during the application process, the costs of application, outreach to communities of color;
- subsidized rental housing: limited usability of housing vouchers, the cost of rental housing.

The State will conduct a new *Analysis of Impediments to Fair Housing Choice* in calendar year 2011.

The *Analysis of Impediments to Fair Housing Choice* is available from Minnesota Housing upon request. Annual summaries of actions the state has taken to address impediments have been included as part of the CAPER report beginning in 2002. The following is a summary of actions the state has taken to address impediments to fair housing in 2010:

Homeownership

Homeownership Education, Counseling, and Training (HECAT), funded through state appropriations, federal appropriations, and Minnesota Housing resources, has served an average of more than 16,000 households annually in the last five years (2006-2010). At least one person in each household securing mortgage financing under CASA (a targeted mortgage program provided by Minnesota Housing) must complete a qualified homebuyer education class prior to loan closing. Program initiatives provide pre- and post-purchase information to homebuyers and counseling assistance to homeowners who may be facing foreclosure. HECAT programs target traditionally underserved communities and communities most easily victimized by predatory lending practices. In 2010, 27 percent of households participating in HECAT (55 percent in Minneapolis and Saint Paul) were of color.

According to information from the Mortgage Bankers Association's *National Delinquency Survey*, at the end of June 2010 Minnesota ranked 16th highest among states in the U.S for home mortgage foreclosures started during the quarter. In response to continuing problems of foreclosure in communities around the state, Minnesota Housing has provided homebuyer education, foreclosure counseling, financial assistance to homeowners, and remediation assistance to communities to rehabilitate and resell foreclosed properties.

Minnesota Housing, the Family Housing Fund, and more than a dozen other public and private participants have funded "Don't Borrow Trouble," a public information campaign that provides education for homebuyers and homeowners, as well as consumer guidance to avoid predatory lending.

Minnesota Housing has supported Habitat for Humanity homeownership efforts since 1991. In September of 2009, Minnesota Housing's Board of Directors approved a \$4 million allocation of agency resources to Habitat to be disbursed during the 2010-2011 biennium.

Homebuyers funded by Minnesota Housing through Habitat in 2010 had a median income of \$34,730 in the Twin Cities metro area and \$24,403 in Greater Minnesota. Ninety-five percent of the homebuyers in the Twin Cities region in 2010 and 29 percent in Greater Minnesota were households of color.

HOME HELP provides entry cost assistance for lower income borrowers for whom the entry cost of homeownership is unaffordable. This assistance, offered to households with the greatest need, has been available only through Minnesota Housing's Community Activity Set-Aside (CASA) first mortgage program. Forty-nine percent of homebuyers receiving HOME HELP in FFY 2010 were households of color. This is a result of CASA's targeting to emerging markets. To the extent HOME HELP and CASA are target-marketed to households of color and/or ethnicity, the program helps address the barriers to emerging market homeownership of lack of wealth and access to downpayment resources and knowledge of the availability of those resources that are raised by the Emerging Markets Homeownership Initiative. CASA also targets single parent households.

The Emerging Markets Homeownership Initiative (EMHI) is funded by a consortium of agencies led by Fannie Mae, the Federal Reserve Bank of Minneapolis, and Minnesota Housing. EMHI's business plan, which calls for 40,000 new homeowners from communities of color by 2012, is based on three basic strategies: improve trusted guidance to emerging market communities, provide opportunity to expand and tailor outreach efforts, and offer innovative structural support to enhance mortgage products and processes. A copy of the final business plan is available at www.mnhousing.gov/

Minnesota Housing helps address impediments to fair housing choice for homeownership for households with a disabled member through its Fix-up Fund. The Fix-up fund provides low interest rate financing for home rehabilitation and improvements. The maximum total of Minnesota Housing home improvement/rehabilitation loans is \$35,000. However, that maximum loan amount may be waived when the Fix-up Fund loan proceeds will be used exclusively for accessibility improvements. The maximum income of \$96,600 may also be waived when loan proceeds will be used exclusively for accessibility improvements.

Impediments to fair housing choice of households with disabled household members are reduced by the "Emergency and Accessibility Loan Program," which provides deferred, zero interest rate loans to low-income homeowners to address essential accessibility improvements.

In 2010, more than 22 percent of all first-time homebuyers under Minnesota Housing mortgage programs were single parents with minor children, primarily female-headed families. These single parent families borrowed \$52 million in low-interest financing and received \$2.6 million in downpayment assistance (31 percent of the total downpayment assistance Minnesota Housing provided in 2010).

Multifamily Rental Housing

Information available in 2010 on nearly 9,000 tenant households occupying Minnesota Housing-assisted developments shows that 47 percent throughout the state (62 percent in the Twin Cities region) were headed by a person of color, i.e., identified as of a race other than White or of Hispanic or Latino ethnicity. Data indicate that 49 percent of households in the developments for which owners claimed federal Housing Tax Credits (61 percent in the Twin Cities region) were households of color.

Minnesota Housing funded rental assistance vouchers for more than 2,100 low-income households under the Housing Trust Fund (a state-funded account) in 2010; more than 65 percent were households of color (69 percent in the Twin Cities region). The median annual income of households receiving vouchers under the Housing Trust Fund was less than \$7,300.

As of 2010, the Minnesota Legislature had appropriated for the 2010-2011 biennium: \$14.4 million for the preservation of affordable rental housing, \$21.1 million for the Housing Trust Fund, and \$14.8 million for the Economic Development and Housing Challenge Fund. Households of color typically comprise 50 percent or more of the tenant households assisted under each of these programs.

The Obama Administration has offered budgets that renew and strengthen HUD's commitment to affordable housing. Public housing capital funds increased in 2010 and operating funds are recommended for increase in 2011. Funding also increased for tenant based rental assistance programs in 2010 and are recommended for increase in 2011. The proposed budget recognizes the need to incent property owners not to opt out of the Section 8 program by fully funding the program.

In 2010, 31 percent of the households occupying Section 8 units throughout the state were households of color; in the cities of Minneapolis and Saint Paul, 70 percent of the households occupying Section 8 units were households of color. For more information on households of color as a percentage of total households assisted through Minnesota Housing, visit: www.mnhousing.gov/news/reports/index.aspx (see Housing Assistance in Minnesota).

Minnesota Housing addresses impediments to fair housing choice in its multi-family development programs by:

- Providing a list of fair housing resources on its website for both owners and tenants,
- Implementing design standards for accessibility (more than eight percent of the units for which owners reported data in 2009 were accessible to a person with mobility impairment).

The Housing Tax Credit (HTC) program addresses impediment to fair housing choice by:

- Requiring annual certifications from HTC owners that there have been no findings of discrimination under the Fair Housing Act in the last 12 months,
- Providing information to HTC owners in its "Compliance Manual" on the applicability of the Fair Housing Act to HTC properties,
- Requiring HTC owners to agree to comply with the requirements of the Fair Housing Act,

The HOME Rental Rehabilitation Program addresses impediments to fair housing choice by:

- Providing in its HOME rental compliance manual that owners comply with equal opportunity and fair housing requirements,
- Where there are five or more units, owners are required to develop and implement affirmative marketing procedures and to solicit applications for vacant units from persons in the housing market least likely to apply without special outreach efforts. Marketing efforts are to be maintained for review by Minnesota Housing staff during on-site monitoring,
- The above requirements are included in loan documents enforceable against the owners.

Homelessness

In 2004, staff from DEED, DHS, Minnesota Housing, and other public and private stakeholders participated in a working group that developed the state's first Business Plan to End Long-Term Homelessness in Minnesota by 2010. The plan identified the state's strategies to achieve the goal of 4,000 new supportive housing opportunities by 2010. In 2010, Minnesota Housing announced a "recalibration" of the business plan due to difficult economic conditions that stalled housing development, including the development of supportive housing. The state's goal has been revised to 4,000 new supportive housing opportunities by 2015. More than 3,000 supportive opportunities for the long-term homeless have been funded as of September 2010. Cumulative progress was ahead of annual targets until 2009 as shown here: www.mnhousing.gov/initiatives/housing-assistance/index.aspx

The Minnesota Legislature has funded the Family Homeless Prevention and Assistance Program (FHPAP) since 1993. In 2007, the legislature nearly doubled the amount of the appropriation for this program, from \$7.4 million to \$14.9 million for the 2008/2009 biennium. FHPAP has assisted an average of 8,500 households a year over the last five years with a high of more than 11,000 households in 2009. Available data indicate that between 50 percent and 60 percent of the household assisted under FHPAP during that time have been households of color.

Data from the most recent Wilder Research survey (2009) of homeless people indicate that half of homeless people in the Twin Cities are African American, 20 percent in Greater Minnesota are American Indian, and 39 percent of all homeless households in the state are of color.

C. Affordable Housing

HUD does not consistently require jurisdictions, in each of the various Community Planning and Development programs, to collect or report the data necessary to determine housing affordability. Agencies have cooperated to the extent possible in providing information.

Data on the affordability of housing funded through SCDP (as defined by Section 215 guidelines) is not available; however, data on incomes of households assisted under SCDP activities indicate that in FFY 2010, 99 percent of households reported had incomes at or below 80 percent of area median income.

The ESG program has no goal to provide affordable housing as defined by Section 215 and DHS does not collect income information on ESG recipients. Most of the people assisted under this program have few or no resources; one of the basic criteria for qualifying for assistance is having no resources to afford housing even for a single night. ESG is the largest of Minnesota's federally funded efforts to address worst-case needs.

In accordance with guidelines, all tenants, homebuyers and homeowners under HOME and HOPWA programs administered by Minnesota Housing have gross incomes at or below 80 percent of area median family income (MFI).

D. Continuum of Care

Continuum of Care is a community strategic plan to organize and deliver housing and services to reduce the incidence of homelessness by assisting homeless individuals, youth, and families with children to move to self-sufficiency and permanent housing. The Continuum of Care includes: prevention, outreach and assessment, emergency shelter, transitional housing, and permanent supportive housing or other permanent housing. Annually, Continuum of Care organizations apply to HUD for funding under the McKinney Vento Homeless Assistance Program to address homelessness. The Minnesota Interagency Council on Homelessness (MICH) assists planning efforts in the Minnesota Continuum of Care regions.

Currently, 11 Continuum of Care (CoC) regions exist in Minnesota. CoC committees have developed the regional plans that identify and describe homelessness, assistance needs of people experiencing homelessness or people at risk of becoming homeless, gaps in regional service delivery for the homeless, and a strategy for addressing those gaps.

ESG funding is used to strengthen the Continuum of Care systems by providing direct services to homeless persons. ESG funds were provided to grantee agencies in every CoC region, each of which has as a priority to provide shelter and supportive services for homeless individuals and families. ESG funds were provided to shelters in all CoC regions to pay for the operating and service costs of these programs.

Both Minnesota Housing and DHS use CoC Plans in the process of reviewing and selecting proposals under the ESG and transitional housing programs. DHS offers each CoC committee the opportunity to provide comments and recommendations on each ESG application submitted from their region. This allows CoC committees to have input into how ESG funds are spent in their community, ensuring that funds are filling gaps in their CoC systems.

CoC plans are available at:

www.mnhousing.gov/initiatives/housing-assistance/continuum/index.aspx

or through one of these offices:

Affordable Housing Contacts in Minnesota, 2010-2011

Continuum of Care (COC)—a community plan to organize and deliver housing and services to reduce the incidence of homelessness by assisting homeless individuals, youth and families with children to move to self-sufficiency and permanent housing.

Minnesota Interagency Council on Homelessness (MICH)—the goal of MICH is to maximize and coordinate state resources to prevent and address homelessness.

Regional Housing Advisory Group (RHAG)—Regional Housing Advisory Groups are forums for discussion among core stakeholders. Minnesota Housing staff works closely with each group to assure that Minnesota Housing receives input pertaining to its goals and the group has an opportunity to share information on issues of concern to the region.

Heading Home Minnesota—statewide strategy which includes Minnesota's Business Plan to End Long-Term Homelessness and regional/local "Heading Home" Initiatives, which represent partnerships with support of the public, business, nonprofit and philanthropic sectors and the faith community.

For additional support:

Corporation for Supportive Housing

612-721-3700

Regions	CoC and Heading Home Contacts	MICH Contacts	Minnesota Housing RHAG Contacts		HUD Contacts
METROPOLITAN AREA					
Anoka County	<u>COC and Heading Home Contact:</u> Judy Johnson Anoka County Housing Coordinator Tel: 763-422-6950 judy.johnson@co.anoka.mn.us	Jane Lawrenz Human Services Tel: 651-431-3844 jane.m.lawrenz@state.mn.us	Multifamily: 651.296.9832 800.657.3701	Single Family: 651.296.8215 800.710.8871	Sara Jean Bergen Housing & Urban Dev. Tel: 612-370-3019 ext. 2103 sara_j_bergen@hud.gov
Dakota County	<u>COC Contact:</u> Marsha Milgrom Dakota County Social Services Tel: 651-554-5918 marsha.milgrom@co.dakota.mn.us	Jane Lawrenz Human Services Tel: 651-431-3844 jane.m.lawrenz@state.mn.us	Multifamily: 651.296.9832 800.657.3701	Single Family: 651.296.8215 800.710.8871	Sara Jean Bergen Housing & Urban Dev. Tel: 612-370-3019 ext. 2103 sara_j_bergen@hud.gov

Regions	CoC and Heading Home Contacts	MICH Contacts	Minnesota Housing RHAG Contacts		HUD Contacts
Hennepin County	<p><u>COC Contact:</u> Mark Hendrickson Hennepin County Housing Development Tel: 612-348-2199 mark.hendrickson@co.hennepin.mn.us</p> <p><u>Heading Home Contact:</u> Cathy ten Broeke Tel: 612-596-1606 Cathy.ten.Broeke@co.hennepin.mn.us</p>	<p>Ji-Young Choi Minnesota Housing Tel: 651-296-9839 ji-young.choi@state.mn.us</p>	Multifamily: 651.296.9832 800.657.3701	Single Family: 651.296.8215 800.710.8871	<p>Tom Koon Housing & Urban Dev. Tel: 612-370-3019 ext. 2108 thomas_koon@hud.gov</p>
Ramsey County	<p><u>COC Contact:</u> Jim Anderson Ramsey County Human Services Tel: 651-266-4116 jim.anderson@co.ramsey.mn.us</p> <p><u>Heading Home Contact:</u> Carol Zierman Ramsey County Planning Office 651-266-8004 carol.zierman@co.ramsey.mn.us</p>	<p>Alison Legler Human Services Tel: 651-431-3848 alison.legler@state.mn.us</p>	Multifamily: 651.296.9832 800.657.3701	Single Family: 651.296.8215 800.710.8871	<p>Tom Koon Housing & Urban Dev. Tel: 612-370-3019 ext. 2108 thomas_koon@hud.gov</p>
Scott/Carver Counties	<p><u>COC and Heading Home Contact:</u> Rebecca Bowers Scott, Carver, Dakota CAP Tel: 651-322-3513 Rebecca.Bowers@capagency.org</p>	<p>Jane Lawrenz Human Services Tel: 651-431-3844 jane.m.lawrenz@state.mn.us</p>	Multifamily: 651.296.9832 800.657.3701	Single Family: 651.296.8215 800.710.8871	<p>Sara Jean Bergen Housing & Urban Dev. Tel: 612-370-3019 ext. 2103 sara_j_bergen@hud.gov</p>

Regions	CoC and Heading Home Contacts	MICH Contacts	Minnesota Housing RHAG Contacts		HUD Contacts
Washington County	<u>COC Contact:</u> Diane Elias Washington County Community Services Tel: 651-430-8317 diane.elias@co.washington.mn.us	Jane Lawrenz Human Services Tel: 651-431-3844 jane.m.lawrenz@state.mn.us	Multifamily: 651.296.9832 800.657.3701	Single Family: 651.296.8215 800.710.8871	Sara Jean Bergen Housing & Urban Dev. Tel: 612-370-3019 ext. 2103 sara_j_bergen@hud.gov
GREATER MINNESOTA					
Central	<u>COC and Heading Home Contact:</u> Hanna Klimmek Central MN Housing Partnership Tel: 320-259-0393 hanna@cmhp.net	Erin Schwarzbauer Minnesota Housing Tel: 651-296-3656 erin.schwarzbauer@state.mn.us	Multifamily: Wendy Bednar Tel: 651-297-3540 wendy.bednar@state.mn.us Single Family: Suzanne Best Tel: 651-297-3131 Suzanne.best@state.mn.us		Mary Burbank Housing & Urban Dev. Tel: 612-370-3019 ext. 2102 mary_k_burbank@hud.gov
Northeast	<u>COC and Heading Home Contact:</u> Patty Beech N.E. MN CoC Coordinator Tel: 218-525-4957 pbeech@cpinternet.com	Pat Leary Human Services/OEO Tel: 651-431-3824 pat.leary@state.mn.us	Multifamily: Terri Parker Tel: 651-297-5141 terri.parker@state.mn.us Single Family: Devon Pohlman Tel: 651-296-8255 devon.pohlman@state.mn.us		Mary Burbank Housing & Urban Dev. Tel: 612-370-3019 ext. 2102 mary_k_burbank@hud.gov

Regions	CoC and Heading Home Contacts	MICH Contacts	Minnesota Housing RHAG Contacts	HUD Contacts
Northwest	<u>CoC and Heading Home Contact:</u> Patrick Grundmeier Beltrami Area Service Collaborative Tel: 218-333-8191 patrick@beltrami.org	Jane Lawrenz Human Services Tel: 651-431-3844 jane.m.lawrenz@state.mn.us	Multifamily: Phil Hagelberger Tel: 651-297-7219 phillip.hagelberger@state.mn.us Single Family: Calvin Greening Tel: 651-296-8843 Cal.Greening@state.mn.us	Mary Burbank Housing & Urban Dev. Tel: 612-370-3019 ext. 2102 mary_k_burbank@hud.gov
Southeast	<u>CoC and Heading Home Contact:</u> Mary Ulland-Evans Three Rivers Community Action Tel: 507-732-8555 mary.ullandevans@threeriverscap.org <u>Heading Home Olmsted Contact:</u> Corrine Erickson	Pat Leary Human Services/OEO Tel: 651-431-3824 pat.leary@state.mn.us	Multifamily: Susan Thompson Tel: 651-296-9838 susan.thompson@state.mn.us Single Family: Cheryl Rice Tel: 651-297-3124 cheryl.rice@state.mn.us	Joe Geary Housing & Urban Dev. Tel: 612-370-3019 ext. 2157 joe_geary@hud.gov
Southwest	<u>CoC and Heading Home Contact:</u> Justin Vorbach SW Minnesota Housing Partnership Tel: 507-836-1609 justinv@swmhp.org	Alison Legler Human Services Tel: 651-431-3848 alison.legler@state.mn.us	Multifamily: Phil Hagelberger Tel: 651-297-7219 phillip.hagelberger@state.mn.us Single Family: Ruth Simmons Tel: 651-297-5146 ruth.simmons@state.mn.us	Joe Geary Housing & Urban Dev. Tel: 612-370-3019 ext. 2157 joe_geary@hud.gov

Regions	CoC and Heading Home Contacts	MICH Contacts	Minnesota Housing RHAG Contacts	HUD Contacts
St. Louis County	<u>CoC and Heading Home Contact:</u> Laura DeRosier St. Louis County Health Tel: 218-725-5236 derosierl@co.st-louis.mn.us	Vicki Farden Minnesota Housing Tel: 651-296-8125 vicki.farden@state.mn.us	Multifamily: Terri Parker Tel: 651-297-5141 terri.parker@state.mn.us Single Family: Devon Pohlman Tel: 651-296-8255 devon.pohlman@state.mn.us	Tom Koon Housing & Urban Dev. Tel: 612-370-3019 ext. 2108 thomas_koon@hud.gov
West Central	<u>CoC and Heading Home Contact:</u> Carla Solem West Central CoC Coordinator Tel: 701-306-1944 carlas@cablone.net	Ji-Young Choi Minnesota Housing Tel: 651-296-9839 ji-young.choi@state.mn.us	Multifamily: Ted Tulashie Tel: 651-297-3119 ted.tulashie@state.mn.us Single Family: Michael Nguyen Tel: 651-296-7620 michael.nguyen@state.mn.us	Joe Geary Housing & Urban Dev. Tel: 612-370-3019 ext. 2157 joe_geary@hud.gov

Minnesota's Homeless Management Information System (HMIS) is an internet-based system that presents standardized and timely information to housing and service providers to better serve their clients. Local planners, providers, and advocates have developed a version of the system that strengthens provider efforts to end homelessness without jeopardizing the privacy of those they are serving. Statewide implementation of HMIS began on July 1, 2005. All required agencies or departments, along with many voluntary participants, now use HMIS. As of 2009, an estimated 210 organizations providing approximately 79 percent of the 12,300 available beds in Minnesota shelters, transitional, and permanent supportive housing were using HMIS. For more information on Minnesota's HMIS see: www.hmismn.org/index.php

E. Other Actions

Address obstacles to meeting underserved needs

According to the 2009 American Community Survey, 33 percent of all households (50 percent of renters) in Minnesota have housing cost burdens (paying more than 30 percent of income for housing). Insufficient funding continues to be a major obstacle to meeting the need for affordable housing. While Minnesota is a leader among states in appropriating funds for affordable housing, and the federal budget for affordable housing has increased in the last several years, the need for assistance continues to exceed available resources, especially resources that are the most useful for providing housing for extremely low-income families, i.e., funds that do not require debt service payments.

The state addresses obstacles to housing and community development and strategies or actions taken in Section 91.315 (Strategic Plan) and Section 91.320 (Action Plan) of its five-year and annual consolidated plans. The ability to meet anticipated needs is subject to a variety of factors that are not necessarily within the control of the state, such as the capacity of communities and local partners to participate in assistance programs, the availability of feasible development or funding proposals, and local zoning and other regulations.

Foster and maintain affordable housing

Despite a budget deficit in Minnesota, Governor Tim Pawlenty signed a bill in 2009 appropriating nearly \$86.8 million to Minnesota Housing for affordable housing programs in 2010-2011. In 2010, the increasing deficit prompted reductions in the amount of \$4,729,000 from multifamily preservation programs. Final appropriations by program are as follows:

**Minnesota Housing Finance Agency Budget,
FY2010-2011**

Housing Trust Fund	\$21,110,000
Preservation	\$14,425,000
Family Homeless Prevention	\$14,930,000
Challenge Fund	\$14,786,000
Rehabilitation Loans	\$7,062,000
Bridges (rental assistance)	\$5,276,000
Homeownership Counseling	\$1,730,000
Homeownership Assistance Fund (entry cost assistance)	\$1,720,000
High Risk Adults Demonstration Project	\$500,000
Capacity Building Grants	\$500,000
Total, net	\$82,039,000

For a more complete summary and details visit Legislative Updates at this website:
<http://www.mnhousing.gov/news/reports/index.aspx>

Housing Tax Credits (HTC) have been an important tool in the development and preservation of affordable rental housing in Minnesota since 1987. Minnesota Housing monitors more than 23,000 HTC housing units throughout the state; suballocators (including Minneapolis, Rochester, Saint Cloud, Saint Paul, and Dakota and Washington counties) monitor units in developments within their own jurisdictions

Based on an assessment of local housing needs, Minnesota Housing has developed and updates a tax credit allocation plan that gives preference to certain types of development, e.g., serves the lowest income households, serves the long-term homeless, preserves federally assisted housing. The state's most recent Qualified Allocation Plan and priorities for housing tax credit allocation may be viewed at:
www.mnhousing.gov/housing/developers/allocation/index.aspx

Minnesota Housing requests funding proposals from housing sponsors under a consolidated application process. The agency combines tax credits with below-market interest rate mortgages (using agency reserves) and deferred loans (using state appropriations and contributions from funding partners) to make tax credit developments more affordable to lower income households.

The State of Minnesota and its tax credit suballocators reserved a total of \$11.6 million in tax credits in 2010 for 1,107 proposed affordable rental units. In February 2009, President Obama signed the American Recovery and Reinvestment Act (ARRA), which temporarily provided resources to bring many "shovel ready" projects to production and close. Due to economic conditions, many of these projects had been delayed by large financing gaps resulting from reduced credit pricing and lack of syndicator equity. As of the end of FFY 2010, 24 developments that received ARRA funding for over 1,200 affordable rental units have closed and are under construction or have been completed.

Eliminate barriers to affordable housing

Planners, nonprofit agencies, service deliverers, and others in the consolidated planning process have identified a variety of barriers to affordable housing including: zoning, land use, and impact fees; property tax rates; assessment procedures; and a mismatch between job, housing, and public transportation.

A number of attendees at public forums held for the development of the five-year consolidated plan (2007-2011) identified a lack of local capacity to plan, apply for grants, and execute housing initiatives in their jurisdictions as barriers to affordable housing. Minnesota Housing has more than \$874,000 in state appropriated assistance available in 2010-2011 for capacity building grants. Minnesota Housing also funds a Nonprofit Capacity Building Revolving Loan Program, using its own reserves to cover a portion of the predevelopment costs typically incurred in developing affordable housing. Community Housing Development Organizations (CHDOs) working on HOME projects have been eligible to apply for these predevelopment assistance programs.

In an attempt to address barriers to the production of new affordable housing, such as the cost of land, labor, and materials, the Minnesota Legislature enacted and funded the Livable Communities Act of 1995. This action enables the Metropolitan Council (the regional planning organization) to provide incentives to participating communities in the Twin Cities metro area to encourage affordable housing development and economic revitalization initiatives. For more information see: www.metrocouncil.org/

The state's tax structure has been identified as a barrier to the development of affordable housing, a barrier that the Minnesota Legislature has attempted to diminish through various revisions to property tax laws related to rental housing. The current Low Income Rent Classification provides property rate reductions for qualifying units in some rent and income-restricted properties. For more information see: www.mnhousing.gov/housing/developers/lirc/index.aspx

Overcome gaps in institutional structure and enhance coordination

Affordable housing assistance in Minnesota depends upon a large network of local lenders, housing authorities, community action agencies, nonprofit organizations, and local governments throughout the state. DEED, DHS, and Minnesota Housing work both to minimize assistance gaps and to coordinate available resources in a variety of ways. Minnesota Housing and its partners issue joint requests for proposals and coordinate the process of reviewing and selecting proposals for funding.

SCDP is available only in nonentitlement jurisdictions within the state, e.g., areas that do not receive a direct allocation of federal funds from HUD. DEED does not make geographic set-asides; all eligible nonentitlement applicants compete equally for available funds. Applications for SCDP are evaluated and ranked based on physical and financial needs, projected impact, cost effectiveness, and demographic characteristics, e.g., number of persons at or below poverty level, estimated market value. Economic development applications are evaluated based on creation or retention of private sector jobs, levels of private investment, and the increase in local tax base. Performance Evaluation Reports

completed by DEED staff identify the location of proposed and actual projects by municipality.

DHS determines geographic targets for ESG funding by a formula that takes into account the number of people in poverty, the number of people paying more than 50 percent of their income for rent, and the number of households receiving public assistance. This targeting formula also includes a determination of the amount of DHS funding received in the previous year for programs to address homelessness. The actual amount of ESG funding awarded to a geographic area might vary from the targeted amount based on the number and adequacy of applications received from that area. DHS has chosen to provide supplemental ESG funding in entitlement areas. DHS sends requests for proposals to all grantees participating in the program previously, all Continuum of Care Committees throughout the state, and all other interested parties who contact DHS program staff and request to be added to the mailing list. DHS also publishes the Request for Proposals in the State Register and posts the RFP on the DHS website.

Community Housing Development Organizations (CHDOs) are nonprofit entities that may serve as owners, developers, or sponsors of affordable housing projects with access to a set-aside of a jurisdiction's federal HOME funds. Minnesota Housing has made an extensive effort to identify and work with CHDOs in its HOME programs and has certified approximately 30 organizations as CHDOs to date. In 2010, Minnesota Housing's multifamily staff worked with one CHDO, the Southwest Minnesota Housing Partnership, to fund more than \$2.2 million in rehabilitation work on four affordable rental housing properties.

Programs available through the U.S. Department of Agriculture's Rural Development (RD) are an important source of assistance in Greater Minnesota. A variety of assistance is available, including: financing for the development of rental housing in rural areas, tenant-based rental assistance, and loans and grants to homeowners to rehabilitate their property. Minnesota Housing and RD continue to cooperate to provide affordable housing in small towns and rural areas. Minnesota Housing and RD staff work together as needed, on a case-by-case basis, with developers applying for Rental Rehabilitation funds. Minnesota Housing and RD architects coordinate work on jointly funded projects by sharing information concerning inspections and draws. In order to meet certain federal match requirements, RD proposals may obtain funding through applicable Minnesota Housing programs, e.g., Housing Trust Fund. DEED funds also may be matched with funds from RD to maintain affordability for communities and persons with low- and moderate-incomes and to finance public infrastructure. RD assistance is not provided through state agencies; therefore, in accordance with HUD instructions, data are not included in this performance report.

Minnesota's Regional Housing Advisory Groups (RHAGs), formed in 2003, provide forums for regional discussion among core housing stakeholders, including state agencies. State agency staff conduct consultations with the RHAGs who hold regularly scheduled meetings. During the RHAG consultations, attendees identify and prioritize the strengths and weaknesses of their regions, as well as housing and community development needs. State staff also conduct consultations with the Greater Minnesota Continuum of Care Committees. Groups represented on the Continuum of Care include community action agencies,

homeless persons, funders, advocacy groups, faith-based organizations, non-profit organizations, school systems, law enforcement, and local and state government agencies.

In an effort to coordinate resources for affordable housing, Minnesota Housing, the Metropolitan Council, and the Family Housing Fund formed the Metropolitan Housing Implementation Group (MHIG) with the HUD area office, Minneapolis Public Housing Authority, Local Initiatives Support Corporation, Greater Metropolitan Housing Corporation, Corporation for Supportive Housing, and the Minnesota office of the Federal National Mortgage Association as partners. MHIG investment guidelines are used in evaluating proposals for the development of affordable housing in the metropolitan area. MHIG agencies cooperate in advertising for, reviewing, and selecting development proposals for funding. MHIG cooperates with municipal governments to implement the provisions of the Metropolitan Livable Communities Act.

The Interagency Stabilization Group (ISG) has been working with local nonprofits and units of government since 1993. The ISG coordinates funds for the stabilization and preservation of qualifying assisted rental housing. ISG members include Minnesota Housing, the Family Housing Fund, the McKnight Foundation, the Minneapolis Community Development Agency, the Saint Paul Planning and Economic Development Department, LISC, HUD, and the Federal Home Loan Bank.

The Greater Minnesota Interagency Preservation Work Group is a consortium of public and nonprofit agencies created to work together to cooperatively address the preservation of federally assisted rental housing in Minnesota outside of the Twin Cities metro area. The participants include Minnesota Housing, HUD, USDA, DEED, Federal Home Loan Bank of Des Moines, Duluth LISC, and the Greater Minnesota Housing Fund. By coordinating information about properties at risk of converting to market rate housing or at risk of loss due to physical deterioration, the participants are able to more strategically target their combined resources.

The Interagency Task Force on Homelessness was established by state statute in 1990 to: 1) investigate, review, and improve the current system of service delivery to people who are homeless or at risk of becoming homeless; 2) improve coordination of resources and activities of all state agencies relating to homelessness; and 3) advise Minnesota Housing in managing the Family Homelessness Prevention and Assistance Program (FHPAP). In 2008 the Minnesota Interagency Council on Homelessness was formed to replace the Interagency Task Force. The Council includes the following state departments: Corrections, Employment and Economic Development, Human Services, Housing, Public Safety, and Veterans Affairs, with the Department of Human Services represented by the offices of Mental Health, Chemical Health, Economic Opportunity, and Community Living Supports.

The Interagency Council coordinates and supports the regional Continuum of Care committees, regional advisory groups to the FHPAP, Minnesota's work on the Homeless Management Information System (HMIS), and all state programs impacting homelessness.

In addition to the Interagency Council, Minnesota has a broad-based community presence in preventing and ending homelessness. Called Heading Home Minnesota (HHM), this group

includes philanthropic, faith and business leaders from the private sector. HHM's primary goals are to raise awareness about homelessness (and especially about the potential to end homelessness) throughout the state, to coordinate regional plans to prevent and end homelessness (there are now seven such plans in Minnesota) and to bring resources of the private sector to bear on creative solutions to homelessness.

The goals of Minnesota's Business Plan to End Long-Term Homelessness are to: 1) reduce the number of Minnesotans who experience long-term homelessness; 2) reduce the inappropriate use of crisis services; and 3) improve employability and other outcomes for families and individuals experiencing long-term homelessness. This state plan for ending long-term homelessness in Minnesota by 2010, published by the Working Group on Long-Term Homelessness, called for the collaboration of governmental entities; private sector developers and businesses; and nonprofits, charitable groups and faith-based organizations. The state "recalibrated" the plan in 2010 based on difficult economic conditions that prevented the plan from being completed as intended.

The plan facilitates the coordination of supportive housing efforts between funders, providers of services, and housing developers to make better use of currently available funding streams. Between 2004 and 2015, the plan estimates a total of \$483 million will provide 4,000 supportive housing opportunities (supportive housing units or vouchers) for households experiencing long-term homelessness. Resources will include federal, state, local, philanthropic and private contributions. For additional details or a copy of the original and "recalibrated" plan, call Minnesota Housing or check this website:

www.mnhousing.gov/initiatives/housing-assistance/homelessness/index.aspx

The Minnesota HIV Housing Coalition (formerly called the Coalition for Housing for Persons with HIV) was formed in 1993 to facilitate access to quality housing and appropriate support services for individuals and families living with HIV in Minnesota. The Coalition advises the City of Minneapolis and Minnesota Housing on the expenditure of HOPWA funds. Minnesota Housing and the City of Minneapolis collaborate in allocating HOPWA funds to projects throughout the state for which sponsors seek assistance through the Request for Proposal process. Minnesota Housing continues to seek input from DHS on outreach efforts to ensure that the state addresses the needs of the HIV/AIDS population outside the 13-county Twin Cities metro area (the City of Minneapolis administers HOPWA inside the Twin Cities metro area). DHS, which has a broad understanding of regional HIV/AIDS issues and programs, is the official administrator of federal Ryan White Part B and AIDS Drug Assistance Program (ADAP) funding for Minnesota. As the Part B Grantee, DHS is charged with addressing the needs of persons living with HIV throughout the entire state of Minnesota. DHS has access to comprehensive needs assessment information through its involvement with the Minnesota Ryan White HIV Services Planning Council.

Improve public housing and resident initiatives

The state does not own public housing or administer public housing funds.

Public housing rehabilitation is an eligible use of SCDP funds for which housing authorities may apply to DEED. The rehabilitation of public housing is not an eligible use of HOME funds.

Evaluate and reduce lead-based paint hazards

DEED's and Minnesota Housing's federally funded programs comply with the lead-based paint requirements of 24 CFR Part 35.

In 2007, Minnesota Department of Health (MDH) was awarded \$1,413,100 in Lead Hazard Control funds. This second round of funding will help remediate lead in 138 properties. In 2003, DEED and MDH partnered to implement a Lead Hazard Control Grant (LHCG) in the amount of \$2.43 million dollars and remediate lead in over 300 properties. The purpose of the program is to identify and correct lead-based paint hazards in homes occupied by low and moderate-income families with children less than six years of age. The primary responsibility for managing the grant program is with MDH in partnership with DEED. Agencies administering Small Cities Development Program grants through DEED will be eligible for funding and will carry out the implementation and administration of the Lead Hazard Control Grant Program on the basis of executed grant agreements with MDH.

For better coordination of state programs, DEED has adopted MDH's priority of addressing only those homes with pregnant women and/or children under six years of age. This policy has also been adopted by the Environmental Protection Agency.

DEED has a lead hazard reduction policy that requires notification of residential owners, inspection of deteriorated paint, correction and removal, if applicable, in accordance with HUD/MDH requirements. In addition, all grantees are required to include in all residential rehabilitation contracts language, which prohibits the use of lead paint and requires contractors to carry out rehabilitation in accordance with lead safe work practices where applicable with particular attention to residential units with pregnant women or children less than six years of age.

The state has made substantial progress in improving the lead hazard reduction infrastructure in Minnesota since implementation of 24 CFR Part 35. As of June 2009, the state had funded 38 completed properties through LHCG. The Lead Hazard Control funds provided over \$184,000 in lead remediation along with DEED's Small Cities Development Program (SCDP) providing over \$176,000 in funds for lead remediation.

Lead hazard reduction is an eligible improvement in state- and Minnesota Housing-funded property improvement and rehabilitation loan programs. In December 2004, the Minnesota Housing board of directors approved a lead-based paint policy of substantially complying with the HUD lead rule (24 CFR Part 35) in state-funded programs with health and safety requirements. When Minnesota Housing provides non-federal funds through its consolidated RFP that constitute a substantial portion of a rental project's funding, or when the agency's funds are secured with a first mortgage, an analysis of lead-based paint is conducted as part of the environmental review and hazards are mitigated.

DEED and Minnesota Housing have been members of the Minnesota Childhood Lead Poisoning 2010 Elimination Plan Advisory Workgroup. The mission of the workgroup was to provide technical expertise and advisory support to the Minnesota Department of Health (MDH) through the development of a strategic plan to eliminate childhood lead poisoning by

2010. The workgroup's report has been updated and is available on the MDH website at: www.health.state.mn.us/divs/eh/lead/reports/2010planfinal2008.pdf

DEED and Minnesota Housing are also members of the Minnesota Collaborative Lead Education and Assessment Network (M-CLEAN), which is convened by the Minnesota Department of Health. Members are all state and local government and nonprofit organizations dealing with lead-based paint and public health. M-CLEAN provides a forum for sharing information among its members, and for providing, on an informal basis, a sounding board for possible lead policies.

In addition to the above activities, the Environmental Health Division of the State of Minnesota's Department of Health oversees a comprehensive lead remediation program that includes testing, health care and environmental remediation. The program is largely funded by federal dollars (HUD and Centers for Disease Control and Prevention), with additional funding provided by the state's general fund. For more information see: www.health.state.mn.us/divs/eh/lead/index.html

Ensure compliance with program and comprehensive planning requirements

In 2010, the state certified 11 local affordable housing projects or programs submitted to DEED for review for consistency with the state's Consolidated Plan.

Minnesota Housing has a longstanding commitment to advancing sustainable building and land use in the affordable housing sector. The agency encourages sustainable, healthy housing that optimizes the use of cost effective durable building materials and systems and that minimizes the consumption of natural resources both during construction/rehabilitation and in the long-term maintenance and operation of housing.

Having applied revised sustainable design criteria to new multifamily development beginning in 2007, the agency completed implementation of these criteria in its Community Revitalization Program in 2008 and for the rehabilitation of multifamily rental housing in June of 2009. To understand more about Minnesota Housing sustainable design criteria in single and multifamily programs visit: http://www.mnhousing.gov/idc/groups/multifamily/documents/webcontent/mhfa_008011.pdf

Reduce the number of persons living below the poverty level

The Office of Economic Opportunity (OEO) at DHS administers a variety of federal and state funded anti-poverty and self-sufficiency programs, allocating more than \$40 million a year in federal and state appropriations to approximately 200 organizations and programs working with low-income families in Minnesota. These programs (including assistance to people experiencing homelessness) address families' basic social needs while providing opportunities for the development of the skills necessary for economic self-sufficiency.

The Minnesota Family Investment Program (MFIP) is the state's major public assistance initiative for low-income families with children. MFIP's three main goals are to help people leave and remain independent of welfare, obtain and keep jobs, and increase income/decrease poverty. Efforts to ensure that the state meets MFIP goals include:

employment and job training services, health care assistance, and child care subsidies for MFIP families. This includes a diversionary work program that helps people to find employment before they reach the need for MFIP.

Data from a DHS longitudinal study of MFIP shows that the proportion of recipients with family income below federal poverty guidelines decreased by 22 percentage points over a 10-year period; however, the percentage in deep poverty rose. More information about the study and about assistance under MFIP is available at: www.dhs.state.mn.us

F. Leveraging Resources

DEED leverages its SCDP housing rehabilitation funds with Minnesota Housing, Rural Development, lender, and property owner contributions. Each applicant jurisdiction is expected to provide as much local money as practicable, contingent upon the financial capability of the applicant. DEED and Rural Development coordinate funds for correcting or improving public infrastructure especially for low- and moderate-income communities. DEED staff estimates that SCDP projects historically have leveraged nonfederal funds in an amount at least equal to SCDP funds.

In 2010, HOME provided 70 percent of the total funds used in completed HOME Rental Rehabilitation projects; the remainder was provided by other public or private entities or property owners. Minnesota Housing has used Housing Tax Credits as well as HOME funds for the development of affordable rental housing in conjunction with other contributions. Under the HOME program, each participating jurisdiction has contributed funds to affordable housing in an amount that is not less than 25 percent of HOME funds drawn from a jurisdiction's HOME Investment Treasury account during the reporting period. Minnesota met HUD's HOME match contribution requirement in FFY 2010 and carried over qualifying excess match dollars to FFY 2011.

Minnesota Housing also leverages federal funds and funds from outside the agency in other state or agency funded assistance programs such as the Economic Development and Housing Challenge Fund, the Housing Trust Fund, and the Low and Moderate Income Rental Program. Local contributions are essential to the provision of affordable housing and community development and have included donations of land, write-down of project costs, tax increment financing, and municipal financing. Under the Mortgage Revenue Bond-financed Community Activity Set-Aside (CASA), Minnesota Housing gives priority during the selection process to those proposals that demonstrate local investment pursuant to a housing plan, local government participation that reduces costs, and the extent to which private investors (e.g., local employers) contribute. Under the state-appropriated Challenge Fund, legislation requires that at least 50 percent of Challenge funds must be utilized in projects that include a financial or in-kind contribution from an area employer and a contribution from at least one of the following: local unit of government, private philanthropic organization, religious organization, or charitable organization.

Minnesota's private foundations have contributed their resources to a variety of single-family programs and multifamily projects; the McKnight and Blandin Foundation funding of the Greater Minnesota Housing Fund is one example of this contribution. The Greater Minnesota Housing Fund provides opportunities for the development of affordable housing

programs and projects outside the Twin Cities metro area. The contributions of foundations and nonprofit organizations to affordable housing development, while significant, are not reported to state agencies and cannot be documented here. (*Minnesota's Consolidated Plan for Housing and Community Development* includes a list of major foundations and nonprofit organizations in Minnesota that work to provide or promote affordable housing.)

ESG requires a one-to-one matching of funds. In FFY 2010, DHS used state funds (\$2,933,725 in Transitional Housing Program funds and \$343,700 in Emergency Services Program funds) to meet the Emergency Shelter Grant Program matching requirement.

Under Projects for Assistance in Transition from Homelessness (PATH) in FFY 2010, DHS disbursed \$748,000 in federal PATH funds and \$568,049 in matching state funds for PATH (only \$249,333 was required for the match). The combined resources funded mental health staff to provide homeless outreach, engagement, and housing and service linkage to 1,793 enrolled households. The decrease in the number of enrolled households from FFY 2009 is primarily the result of yearly fluctuations in need and service provision. Additionally, technical assistance has been provided to PATH providers to clarify criteria for PATH eligibility. This may have an impact on PATH enrollment, as eligibility is refined. The number of persons contacted by PATH staff decreased from 4,500 in FFY 2009 to 4,044 in FFY 2010.

G. Citizen Comment

Minnesota state agencies use the Consolidated Planning process to maintain awareness of local assistance needs. DEED takes the lead in conducting public hearings and forums on the Consolidated Plan/CAPER, annually, in various areas around the state.

The state notified the public of the availability of the draft in the *State Register* and the *Star Tribune*. The draft CAPER for 2010 was available for public comment for 30 days, beginning October 18, 2010 and extending through the close of the business day on November 19, 2010. Copies of the CAPER were posted in the websites of Minnesota Housing and DEED, mailed to depositories (e.g., local libraries) throughout the state, and photocopies were available from Minnesota Housing and DEED upon request. The state did not receive any comments on the draft CAPER.

H. Self-Evaluation

The state has identified objectives and expected outcomes for federally funded housing and community development assistance. These have been identified through a process of public hearings and forums held throughout the state in which advocates, service providers, and other stakeholders are invited to participate and provide input (see 91.320 and Appendix E of the *Consolidated Housing and Community Development Plan, FY 2007-2011*). Annual Action plan updates address how those objectives are to be met.

The state revised its planned activity for ESG in its annual Action Plan for 2010. ESG funds were used to support the ongoing efforts to provide shelter and supportive services to homeless persons; however, both planned and actual assistance activity for ESG are significantly lower than in previous years because prevention activities were not funded

under ESG, including several large programs for which assistance had been reported in previous years.

In 2010, Minnesota Housing began funding the rehabilitation of rental units with state appropriations rather than HOME funds, which the agency determined would be more effectively used for the rehabilitation of owner-occupied homes. This change in funding streams resulted in a slow-down in rehabilitation activity as administrators for rehab assistance to homeowners adjusted to unfamiliar HOME program guidelines.

The availability of the federal first-time homebuyer tax credit, increasingly affordable house prices, and first mortgage financing through Minnesota Housing enabled the state to assist more than twice as many households as expected with HOME downpayment assistance in 2010. Thirty-two percent of HOME assisted buyers purchased properties that had been foreclosed. Note that in 2008, planned activity for HOME downpayment assistance was unrealistic; the average per household amount of assistance was much higher than expected. Planned activity for 2009 was adjusted downward and subsequent activity has exceeded expectations.

The state revised total units to be assisted with HOME funds (and ESG) in the Action Plan for 2010; however, it did not revise projections by income group. The original goal was that 54 percent of 450 HOME assisted renters would have incomes in the 0-30 percent of AMI group; in 2010 63 percent of 248 HOME assisted renters had incomes in the 0-30 percent AMI group, exceeding initial percentage expectations. Data available through the IDIS Housing Performance Report indicates that all HOME-funded activity in 2010 fulfilled the objective of providing decent, affordable housing.

The state projected in its five-year plan that all households to be served under CDBG would be low income, but did not project numbers to be assisted by specific income category. The numbers of renters and owners in the following table, **Projected and Actual Assisted Households by Income Group**, do not include CDBG-assisted households at this time. Information from IDIS reports indicates that in 2010, 99 percent of households served under CDBG had incomes at or below 80 percent of median income and 22 percent had incomes at or below 50 percent.

The state met assistance goals for 2010 as shown in the following tables, which use both numbers of units assisted and incomes of assisted households as indicators of progress toward achieving goals.

Priority Housing Activities/Investment Plan Table
Projected and Actual Assisted Households

		Year 1 (2007)		Year 2 (2008)		Year 3 (2009)		Year 4 (2010)	
Priority Need	5-Yr. Goal Plan	Action Plan	Actual Activity	Action Plan	Actual Activity	Action Plan	Actual Activity	Action Plan	Actual Activity
CDBG									
Acquisition for rehab	35				3	0	0		
Acquisition of real property			11		120	0	6	0	6
Homeownership assistance		13	17	7	3	4	2	0	3
Rehabilitation of existing rental units	920	184	167	120	73	150	169	80	134
Rehabilitation of existing owner units	2,660	532	646	373	464	350	443	375	483
Production of new housing units	70	14	32			28	18	100	24
Relocation			7		1	0	0		
HOME									
Acquisition of existing rental units									
Production of new rental units									
Rehabilitation of existing rental units	2,250	450	441	450	362	450	580	125	248
Rental assistance									
Acquisition of existing owner units									
Production of new owner units									
Rehabilitation of existing owner units								120	30
Homeownership assistance	310	62	62	1,090	61	543	399	280	562
HOPWA									
Rental assistance									
Short term rent/mortgage utility payments	600	135	125	110	139	110	167	150	155
Facility based housing development									
Facility based housing operations									
Supportive services									
ESG*		24,970	19,383	24,970	26,441	24,970	30,386	9,743	13,144

* Individuals assisted

**Priority Housing Needs/Investment Plan Table
Projected and Actual Assisted Households by Income Group**

		Year 1 (2007)		Year 2 (2008)		Year 3 (2009)		Year 4 (2010)	
Priority Need	5-Yr. Goal Plan	Plan	Actual Activity	Plan	Actual Activity	Plan	Actual Activity	Plan*	Actual Activity
Renters									
0 - 30 of MFI	1,215	243	257	243	202	243	372	243	156
31 - 50% of MFI	720	144	129	144	119	144	168	144	78
51 - 80% of MFI	315	63	31	63	41	63	40	63	14
Owners									
0 - 30 of MFI	60	12	5	12	3	12	9	12	41
31 - 50 of MFI	95	19	13	19	20	19	87	19	165
51 - 80% of MFI	155	31	44	31	28	31	261	31	386
Homeless**									
Individuals		19,383		24,970	26,441	24,970	30,386	9,743	13,144
Families									
Non-Homeless									
Special Needs									
Elderly									
Frail Elderly									
Severe Mental Illness									
Physical Disability									
Developmental Disability									
Alcohol or Drug Abuse									
HIV/AIDS*	600	135	125	110	139	110	167	150	155
Victims of Domestic Violence									
Total (Sec. 215 and other)									
Total Sec. 215		20,030	25,574	25,592	26,993	25,592	31,377	10,405	14,139
215 Renter									
215 Owner									
*This is the original planned five-year distribution; the state may revise annual planned activity in the Action Plan, e.g., change in the use of HOME funding for rehab to homeowners.									
**These are homeless persons assisted. HOPWA and ESG do not require the affordability standards of 92.252 and 92.254 to be met.									
All SCDP beneficiaries were projected to have incomes at or below 80 percent of area median income; however, the state did not project numbers of households to be served through SCDP by specific income categories in the five-year plan.									

I. Monitoring

The following describes the monitoring plans set forth by each program and outcomes of the on-site inspections completed in 2010 for HOME-funded units.

HOME Rental Rehabilitation

The following describes the monitoring plan set forth and the outcomes of on-site inspections completed in federal fiscal year 2010 for HOME-funded properties:

On January 1, 2010, the responsibility for monitoring HOME properties funded was transitioned from local administrators to Minnesota Housing. A compliance manual which sets forth Minnesota Housing's compliance and monitoring procedure was released. Various forms were adopted for owners to annually certify compliance with program restrictions and for verifying and certifying tenant eligibility. An on-line reporting system was developed for owners to report tenant activity in HOME units.

In 2010, Minnesota Housing conducted on-site inspections of 94 properties (437 HOME units) as shown in the HOME Compliance Status Report. The on-site inspection consists of a review of administrative records such as utility allowance source documentation, resident selection plan, affirmative marketing, ongoing lead-based paint maintenance records (where applicable), as well as a physical inspection and tenant file review of 15 percent of the HOME-assisted units. As a rule, Minnesota Housing inspects a minimum of four HOME units (or all HOME units if the property has four or less HOME units). Properties that show limited information on the HOME Compliance Status Report did not require an inspection in 2010.

According to Minnesota Housing's monitoring procedure, if a property is found to be out of compliance either as a result of the owner certification, tenant reporting or by inspection, the owner is given a notice of noncompliance and a correction period, generally 30 days. If all noncompliance is not corrected within this period, the owner is given a 10-day grace period with which to address any remaining issues. If noncompliance remains uncorrected, the property is discussed at a HOME team meeting for further action. Possible action may be extension of the effective period, calling the loan due, or other action appropriate to the situation.

HOME HELP

HOME HELP provides first-time homebuyers with downpayment assistance in the form of a zero-interest deferred loan. Minnesota has implemented the following monitoring procedures for HOME HELP inspector contractors and lender contractors:

HOME HELP Lender Acceptance and Monitoring Procedure

1. Lender applications for HOME HELP will be accepted on an ongoing basis.
2. Minnesota Housing staff will ensure the lender is not suspended or debarred prior to signing lender agreement.
3. A Housing Program Professional will review each of the documents identified on the HOME HELP Pre-purchase Loan Transmittal for compliance before approving the loan for purchase.
4. Instances of non-compliance and the corrective actions will be documented.
5. Annual performance reports will be reviewed, evidence of deficiencies noted, and corrective training conducted.
6. Given the detailed review of each loan, staff will not conduct on-site monitoring of lenders unless there are repeated instances of inadequate documentation or non compliance. On site monitoring (if conducted) will include a review of their processes and the provision of corrective training.

HOME HELP Inspector Acceptance and Monitoring Procedure

1. Inspector qualification requirements are delivered through Minnesota Housing's HOME HELP Inspection Services Request for Proposal (RFP).
2. Submission information requirements are outlined in the RFP. The inspector's submission documents establish the presence or absence of local housing quality standards and their qualifications to apply HUD HQS standards in the absence of local standards.
3. Minnesota Housing staff will check the EPLS to ensure the contractor is not suspended or debarred prior to signing inspector contract.

4. To ensure compliance, Minnesota Housing's contract with inspectors requires them to provide Minnesota Housing with copies of local housing quality standards where they exist, and obligates inspectors to inspect to the local standard where they exist or to HUD HQS when local standards do not exist.
 - a. Minnesota Housing will audit and monitor inspection contractors as an added measure to ensure compliance.

HOME Single Family Rehabilitation Loan Program

All loan documents and verifications are submitted to Minnesota Housing for review for compliance before HOME funds are committed. Loans are reviewed for:

- HOME compliance;
- Minnesota Housing program/policy compliance;
- Fraud or misrepresentation on the part of any party involved in the transaction; and
- Trends and/or other indicators that may have an impact on the financial viability of the loan program in part or in whole.

This will occur via a four-stage loan review process throughout the life of the loan origination, rehabilitation and loan purchase approval process, specifically:

- The first stage will be the environmental review;
- The second stage will be at time of loan commitment;
- The third stage will be half way through rehabilitation; and
- The fourth stage will be upon completion of the rehabilitation and before loan purchase approval.

In addition to a complete review of each loan file for compliance with program requirements, Rehabilitation Loan Program Lenders will be monitored on a regular basis. Lenders will be selected for monitoring based off of an annual risk analysis, which includes these variables:

- Loan volume;
- Number of findings during loan review;
- Communication status;
- Staff turnover;
- Last time monitored; and
- Outcome of last monitoring visit

Based off of this risk analysis, the goal would be to monitor 5 lenders a year. Monitoring will include, but is not limited to:

- Ensuring lenders maintain capital and trained personnel adequate to render the services required as a part of the lender's participation in the program;
- Ensuring lenders maintain loan program records;
- Ensuring lenders maintain appropriate insurance coverage; and
- Site visits to rehabilitated properties assisted by the Rehabilitation Loan Program.

Errors in any aspect of the loan origination and documentation processes are communicated to lenders as they are identified by agency staff and must be corrected before the loans are purchased by Minnesota Housing. On-site monitoring results are

documented by agency staff and provided in writing to the appropriate staff at the originating lender's office.

Housing Opportunities for Persons with AIDS

Rent and emergency assistance projects monitoring includes:

- Monthly review of administrative budget, production, and utilization of funding.
- Evidence that the grantee is collecting appropriate demographic data.
- Biennial site visits to the grantee to review the following:
 - Policies and procedures,
 - Compliance with audit procedures,
 - Documentation of compliance with time limits for assistance,
 - Documentation of all aspects of tenant eligibility,
 - Documentation that each participant was provided an opportunity to receive case management services, and
 - Source documentation of rental, mortgage, or utility expense.

Emergency Shelter Grants Program

Each year DHS program staff review all ESGP grantees using a risk analysis tool created with technical assistance from HUD. The tool has four broad areas of analysis:

- General agency information. This includes such factors as new executive director or fiscal director, previous monitoring results, identification of difficulties in a variety of areas, or a new grantee.
- Program operations. This includes compliance and reporting issues, policies and procedures.
- Fiscal operations. This includes financial information such as reporting, audit findings, delinquencies, turnover in accounting staff.
- Agency Board of Directors/Executive Management. This includes agency mission, roles and responsibilities, conflicts, negative press, board issues.

Use of the tool allows DHS staff to determine if a grantee needs immediate attention or if the grantee can receive a visit as part of regular monitoring. In either case, the focus of the monitoring will include any areas highlighted by the risk analysis tool. A regular monitoring rotation ensures grantees are monitored at least once during every grant cycle (every two years).

Grantee issues also may be identified through monitoring visits by state agency staff. Monitoring looks at the overall agency capacity to deliver services determined through a guided discussion that includes managers as well as direct service staff. Areas of discussion may include an overview of the strengths and challenges facing the community and participants, coordination and collaboration efforts, goals and outcomes, staffing and communication, information management, fiscal systems, and governance. A random selection of files is reviewed to check on specific documentation of: homelessness, disability status, target population, on-going assessment, follow-up, and supportive services. In addition, there is verification of homeless participation in policies and project development, the full number of participants being served, and the timeliness of grant expenditures.

Grantees receive a report on the monitoring visit within a month of the visit. Issues such as late reporting must be corrected immediately. Capacity building occurs as the field representative provides assistance to the grantee during the year. Program staff worked collaboratively with monitoring staff to develop the new monitoring instrument, which is reviewed and updated regularly.

Community Development Block Grant

It is DEED's standard that each grantee be monitored through an on-site visit at least once during the term of the funding agreement. Follow-up monitoring may occur if there are significant findings of noncompliance with program requirements to ensure that problems have been corrected or if other indicators of program noncompliance or administrative difficulties become apparent from reviews of program documents, telephone conversations, or other sources.

The monitoring process includes a review of a sample of files to determine compliance with program requirements and the existence and application of good financial management practices. A monitoring checklist/guide has been developed by DEED as a tool to assist in the monitoring process. Results of the monitoring are discussed with each grantee, and issues and their resolution are put in writing and sent to the appropriate officials of the grantee. All grants are subject to monitoring to ascertain whether the activities stated within the approved application address federal objectives, are eligible activities, and if adequate progress has been made by the grantee within the time period stated in the funding agreement.

Program Narratives

III. CDBG Program Narrative

The primary objective of the Small Cities Development Program (SCDP) is to develop viable urban communities by providing decent affordable housing and suitable living environments. SCDP does this by expanding economic opportunities, principally for persons of low and moderate income. SCDP funds can be used for a variety of activities, most often to address community needs for owner-occupied housing rehabilitation, rental and/or commercial rehabilitation, or public facility improvements.

Proposals may either be a Single Purpose or Comprehensive Application:

Single Purpose applications must consist of one or more activities designed to meet a specific housing or public facilities need within a community;

Comprehensive applications must consist of at least two interrelated projects that are designed to address community development needs and which, by their nature, require a coordination of housing, public facilities or economic development activities.

All proposals submitted must meet one of three federal objectives:

- Benefit to low and moderate income persons;
- Elimination of slum and blight conditions, or;
- Elimination of an urgent threat to public safety

All proposals recommended for approval must provide evidence of meeting, at a minimum, one of these federal objectives.

Proposals were due on January 14, 2010 under the Small Cities Development Program (SCDP) request issued by DEED. All SCDP proposals were evaluated and ranked by both a lead and backup reviewer on need, impact, cost effectiveness, organizational capacity and leveraging of non-SCDP resources. Demographic information was provided by the state demographer's office and ranking was based on the number and percentage of people in poverty in a specific area.

The lead reviewer was responsible for presenting their scoring recommendations to the selection committee that was comprised of all SCDP Regional Representatives. During selection meetings, comments and suggestions were received from all staff in determining application scores.

For applications that had a public facility component, SCDP staff contacted representatives from Rural Development, Minnesota Pollution Control and Public Facilities Authority for their input. Additionally, applications that focused on rental or homeownership development received insight and recommendations from both Minnesota Housing and the Greater Minnesota Housing Fund.

DEED announced the following amount of CDBG funds were available in 2010:

HUD 2010 CDBG Award	\$22,098,274
Administrative Amount	\$(541,965)
Amount available for awards from CDBG	\$21,556,309
Amount provided to Economic Development (15%)	\$(3,233,446)
Amount available from HUD for SCDP grants	\$18,322,863

Reverted funds from 2002-2009 SCDP Program Years	\$4,994,368
Funds transferred from Economic Development to SCDP	\$2,674,579
Previous 2010 SCDP Awards	\$(3,906,900)
Amount Available for SCDP Grants	\$22,084,911
Amount Recommended for SCDP Grants	\$(20,721,436)
Funds reserved for Williams Project	\$ (600,000)
Balance Available for Urgent Need Projects	\$763,475

For 2010, the following is the funding breakdown for this year's awards:

- 59% For owner occupied rehabilitation;
- 15% For commercial rehabilitation;
- 17% For public facility projects;
- 3% For rental rehabilitation;
- 3% For rental/new development;
- 3% For community facilities

The Commissioner has the authority to modify these percentages if it has been determined there is a shortage of funding in any category. For 2010, there were 76 pre-applications submitted requesting over \$59,829,801. From those pre-applications, 57 full applications were submitted requesting \$31,344,334.

The following is an overview of the number of full applications received, the amount of SCDP funds requested, the number of projects within each region recommended for approval, and the recommended SCDP award amounts in 2010:

Economic Development Region	# of Pre-Applications Received	SCDP Funds Initially Requested per Region	# of Full Applications Received	SCDP Funds Requested in Full Applications	Number of Applications Recommended for Approval Per Region	Recommended SCDP Awarded Amount Per Region
1	9	\$3,838,065	6	\$2,428,073	6	\$1,549,337
2	5	\$2,798,106	4	\$2,198,106	4	\$1,974,643
3	6	\$4,105,200	2	\$3,345,250	2	\$ 602,450
4	11	\$6,225,911	8	\$4,426,067	8	\$4,048,302
5	8	\$4,120,232	6	\$3,108,454	6	\$2,968,650
6E	1	\$399,200	1	\$ 399,200	1	\$ 399,200
6W	4	\$2,423,550	3	\$1,919,550	3	\$1,919,550
7E	3	\$2,158,825	3	\$2,158,825	3	\$1,340,850
7W	6	\$3,016,638	5	\$2,478,738	5	\$1,805,018
8	10	\$4,348,146	9	\$3,748,146	9	\$3,475,496
9	6	\$3,371,225	5	\$2,936,525	5	\$2,338,450
10	7	\$3,349,400	5	\$2,187,400	5	\$2,205,390

Based on application evaluations, staff recommended approval of 57 proposals totaling \$24,628,336.

IV. HOME Program Narrative

Assessment of Relationship of HOME Funds to Goals and Objectives

Minnesota Housing's Action Plan designated HOME formula grant funds received for 2010 as follows:

Minnesota Housing Allocation of HOME Funds for 2010

Program or activity	Allocation of funds	Percentage of funds
Asset management	\$3,850,000	36%
Downpayment assistance for first-time homebuyers	\$2,800,000	27%
Rehabilitation for homeowners	\$2,800,000	27%
Agency overhead	\$1,047,053	10%
Total	\$10,497,053	100%

The state used its HOME allocation in 2010 to fund three activities: rehabilitation of owner-occupied properties, asset management, and downpayment assistance to first-time

homebuyers. Activity occurring under the HOME Rental Rehabilitation Program in 2010 was funded with resources carried over from previous allocations.

Data available from IDIS Housing Performance Report PR85 indicates that all HOME-funded activity in 2010 fulfilled the objective of providing decent, affordable housing.

For 2010, Minnesota Housing had allocated \$3,850,000 to the Asset Management account. That amount was reduced to \$2,476,157 when additional funds were needed for HOME HELP downpayment assistance and asset management projects did not materialize. HOME funds were not used in Asset Management because funds available from McKinney Act refunding provided adequate capital for preserving the properties targeted for HOME Asset Management funding.

Information from HUD's *SNAPSHOT of HOME Program Performance as of 9/30/10* shows achievement in using HOME funds and enables a comparison between Minnesota's progress and the actions of other state participating jurisdictions. Minnesota has committed nearly 96 percent of the total HOME allocation amount it has received and ranks 28 of 51 states on a composite of indicators that measure performance (a rank of one is the highest). Measures that show Minnesota ranking had better than the national average include: the percentage of funds disbursed, the percentage of extremely low-income renters benefitted, the percentage of projects completed. The *SNAPSHOT of HOME Program Performance as of 9/30/10* is available at:

www.hud.gov/offices/cpd/affordablehousing/programs/home/snapshot/index.cfm?qr=4q10

The state does not use HOME funds for tenant-based rent assistance, given the amount of assistance already available through the Section 8 Housing Assistance Payments Program. According to HUD's **Resident Characteristics Report as of September 30, 2009**, housing authorities in the state administer 30,000 Section 8 certificates and vouchers. In addition, the state legislature's biennial appropriation to Minnesota Housing includes funding for tenant-based rental assistance.

As a program shift for 2010, Minnesota Housing has determined that funding the multifamily Rental Rehabilitation Program with state appropriations and the Rehabilitation Loan Program for homeowners with HOME funds would improve the delivery and administration of each program. The shift to state appropriations as a funding source for the Rental Rehabilitation Program and HOME as a funding source for the Rehabilitation Loan Program was approved by the 2009 Legislature and implemented at the beginning of FFY 2010.

HOME Rental Rehabilitation funds had been available in communities throughout the state that did not receive entitlements directly from HUD. HOME-funded rehabilitation loans to homeowners are available statewide, as is HOME downpayment assistance to first-time homebuyers.

Projects completed in 2010 included a total of \$9,016,695 in HOME funds for affordable housing for 840 low-income households, including \$6,721,419 in downpayment assistance

to 562 first-time homebuyers; \$635,571 in rehabilitation assistance to 30 low-income homeowners; and \$1,659,705 for the rehabilitation of 282 units of rental housing of which 248 were occupied as of September 30, 2010.

The proportion of all HOME-assisted households of color has varied from 17.4 percent of all HOME-assisted households in FFY 2006 to 34.6 percent in FFY 2010. The location of properties purchased or rehabilitated in any given year affects the opportunity to serve households of color.

In 2010, Minnesota Housing continued to provide HOME HELP downpayment assistance to first-time homebuyers in conjunction with the Community Activity Set-Aside Program (CASA), first mortgage financing targeted to households of color (and foreclosed properties). The use of HOME HELP with CASA and the fact that increasing the homeownership rate among households of color is one of Minnesota Housing's five strategic goals contributed to the relatively high percentage of homebuyers of color served.

**Households Assisted under
Minnesota Housing's HOME-Funded Programs, FFY 2010**

Race of householder	Percent of renter households	Percent of homebuyer and homeowner households	Percent of total HOME- assisted
American Indian or Alaskan Native	0.4%	0.5%	0.5%
Asian	1.2%	15.7%	11.4%
Black or African American	2.8%	16.2%	12.3%
Native Hawaiian or other Pacific Islander	0.0%	0.5%	0.4%
Balance/Other	0.0%	0.2%	0.1%
White Hispanic	2.4%	13.2%	10.0%
White nonHispanic	93.1%	53.7%	65.4%
Total	100.0%	100.0%	100.0%
Households of color	6.9%	46.3%	34.6%

Using Census Bureau procedures, household race and ethnicity information shown here is based on characteristics of the householder, only. According to information from the Census Bureau's 2009 *American Community Survey*, an estimated 11 percent of the households in Minnesota were headed by a person identified as being of a race other than White or of Hispanic ethnicity.

HOME Program Annual Performance Report

Annual Performance Report HOME Program

U.S. Department of Housing
and Urban Development
Office of Community Planning
and Development

OMB Approval No. 2506-0171
(exp. 8/31/2009)

Public reporting burden for this collection of information is estimated to average 2.5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

The HOME statute imposes a significant number of data collection and reporting requirements. This includes information on assisted properties, on the owners or tenants of the properties, and on other programmatic areas. The information will be used: 1) to assist HOME participants in managing their programs; 2) to track performance of participants in meeting fund commitment and expenditure deadlines; 3) to permit HUD to determine whether each participant meets the HOME statutory income targeting and affordability requirements; and 4) to permit HUD to determine compliance with other statutory and regulatory program requirements. This data collection is authorized under Title II of the Cranston-Gonzalez National Affordable Housing Act or related authorities. Access to Federal grant funds is contingent on the reporting of certain project-specific data elements. Records of information collected will be maintained by the recipients of the assistance. Information on activities and expenditures of grant funds is public information and is generally available for disclosure. Recipients are responsible for ensuring confidentiality when public disclosure is not required.

This form is intended to collect numeric data to be aggregated nationally as a complement to data collected through the Cash and Management Information (C/M) System. Participants should enter the reporting period in the first block. The reporting period is October 1 to September 30. Instructions are included for each section if further explanation is needed.

Submit this form on or before December 31. Send one copy to the appropriate HUD Field Office and one copy to: HOME Program, Rm 7176, 451 7th Street, S.W., Washington D.C. 20410	This report is for period (mm/dd/yyyy) Starting 10/01/2009	Ending 09/30/2010	Date Submitted (mm/dd/yyyy) 12/31/2010
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Part I Participant Identification

1. Participant Number M-10-SG-27-0100	2. Participant Name State of Minnesota		
3. Name of Person completing this report James Cegla	4. Phone Number (Include Area Code) 651-297-3126		
5. Address 400 Sibley Street, Suite 300	6. City Saint Paul	7. State MN	8. Zip Code 55101

Part II Program Income

Enter the following program income amounts for the reporting period: in block 1, enter the balance on hand at the beginning; in block 2, enter the amount generated; in block 3, enter the amount expended; and in block 4, enter the amount for Tenant-Based rental Assistance.

1. Balance on hand at Beginning of Reporting Period \$23.22	2. Amount received during Reporting Period \$227,043.86	3. Total amount expended during Reporting Period \$227,058.47	4. Amount expended for Tenant-Based Rental Assistance \$0	5. Balance on hand at end of Reporting Period (1 + 2 - 3) = 5 \$8.61
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Part III Minority Business Enterprises (MBE) and Women Business Enterprises (WBE)

In the table below, indicate the number and dollar value of contracts for HOME projects completed during the reporting period.

	a. Total	Minority Business Enterprises (MBE)				f. White Non-Hispanic
		b. Alaskan Native or American Indian	c. Asian or Pacific Islander	d. Black Non-Hispanic	e. Hispanic	
A. Contracts						
1. Number	19	0	0	0	1	4
2. Dollar Amount	\$158,950	0	0	0	\$80,250	\$65,100
B. Sub-Contracts						
1. Number	0					
2. Dollar Amount	0					
	a. Total	b. Women Business Enterprises (WBE)	c. Male			
C. Contracts						
1. Number	19	0	5			
2. Dollar Amount	\$158,950	0	\$145,350			
D. Sub-Contracts						
1. Number	0					
2. Dollar Amounts	0					

Part IV Minority Owners of Rental Property

In the table below, indicate the number of HOME assisted rental property owners and the total dollar amount of HOME funds in these rental properties assisted during the reporting period.

	a. Total	Minority Property Owners				f. White Non-Hispanic
		b. Alaskan Native or American Indian	c. Asian or Pacific Islander	d. Black Non-Hispanic	e. Hispanic	
1. Number						
2. Dollar Amount						

Part V Relocation and Real Property Acquisition

Indicate the number of persons displaced, the cost of relocation payments, the number of parcels acquired, and the cost of acquisition. The data provided should reflect only displacements and acquisitions occurring during the reporting period.

	a. Number	b. Cost				
1. Parcels Acquired	0	\$0				
2. Businesses Displaced	0	\$0				
3. Nonprofit Organizations Displaced	0	\$0				
4. Households Temporarily Relocated, not Displaced	0	\$0				
Households Displaced	a. Total	Minority Business Enterprises (MBE)				f. White Non-Hispanic
		b. Alaskan Native or American Indian	c. Asian or Pacific Islander	d. Black Non-Hispanic	e. Hispanic	
5. Households Displaced - Number	0					
6. Households Displaced - Cost						

HOME Match Report

U.S. Department of Housing and Urban Development
Office of Community Planning and Development

OMB Approval No. 2506-0171
(exp. 12/31/2012)

Part I Participant Identification				Match Contributions for Federal Fiscal Year (yyyy) 2010	
1. Participant No. (assigned by HUD) M-10-SG-27-0100		2. Name of the Participating Jurisdiction Minnesota Housing Finance Agency		3. Name of Contact (person completing this report) James Cegla	
5. Street Address of the Participating Jurisdiction 400 Sibley Street, Suite 300				4. Contact's Phone Number (include area code) 651-297-3126	
6. City Saint Paul		7. State Minnesota		8. Zip Code 55101	

Part II Fiscal Year Summary

1. Excess match from prior Federal fiscal year	\$	36,350,846	
2. Match contributed during current Federal fiscal year (see Part III.9.)	\$	13,852,510	
3. Total match available for current Federal fiscal year (line 1 + line 2)			\$ 50,203,356
4. Match liability for current Federal fiscal year			\$ 1,157,801
5. Excess match carried over to next Federal fiscal year (line 3 minus line 4)			\$ 49,045,557

Part III Match Contribution for the Federal Fiscal Year

[illegible]

HOME MBE and WBE Report

The state itself does not enter into any single or multifamily rehabilitation contracts therefore construction contract information is not reported on HUD form 4010; the agency's home inspection contracts are reported there.

The state did not fund any minority- or women-owned properties in 2010 under HOME Rental Rehabilitation.

Assessments

Onsite inspections of rental properties and inspection results are located in the Attachments to this report.

Under the HOME Rental Rehabilitation Program administrators receive a copy of the Minnesota Housing Program Administrative Manual and each owner receives a copy of the Minnesota Housing HOME Rental Rehabilitation Owner's Manual. Minnesota Housing provides clear directions to administrators and owners about fair housing and equal opportunity requirements and implementation of those requirements. It outlines the purpose of the affirmative fair housing marketing plan requirements and provides guidance related to implementation, record-keeping, and monitoring, and specifically requests the completion of the Fair Housing/Equal Opportunity Compliance Form (HOME Form 10) every three years for properties with five units or more, and an Affirmative Fair Housing Marketing Plan (HOME Form 11) for projects with five units or more.

Under HOME HELP downpayment assistance to first-time buyers, Minnesota Housing contracts with local inspectors as described in Section I. Five percent of the current inspector contracts are with minority-owned business; the majority of those contracts are with nonprofit organizations.

Minnesota Housing has marketed the availability of HOME HELP assistance to potential homebuyers who are least likely to apply for the housing, in order to make them aware of available affordable housing opportunities. Since June of 2008, the residents of nearly 700 mobile home parks and 43 public housing authorities (in the counties for which funds are available) have received notice of the availability of HOME HELP downpayment assistance.

In 2010, 49 percent of homebuyers with HOME HELP assistance were households of color, e.g., of a race other than White or of Hispanic ethnicity.

V. HOPWA Program Narrative

Since 1999, Minnesota Housing has received an annual allocation of HOPWA funds from HUD to provide housing assistance and support services to people outside the 13-county Twin Cities metro area (which is served through a grant to the City of Minneapolis). In 2010, Minnesota Housing received a HOPWA allocation of \$137,625 which has been committed to continue funding the Minnesota AIDS Project (MAP). MAP is an agency that has established statewide networks to deliver assistance in areas of need throughout Greater Minnesota. MAP's Greater Minnesota emergency housing assistance program has worked closely with HIV service providers in Greater Minnesota, including the Mayo Clinic's HIV Clinic and Social

Services, Minnetonka Health Project, the Rural AIDS Action Network, and MAP's own case management program in Duluth.

Minnesota Housing and the Department of Human Services collaborate to undertake outreach efforts that will ensure the needs of people with HIV/AIDS living in Greater Minnesota are met. This collaboration allows for greater coordination in the implementation of HIV/AIDS related projects.

In addition to emergency housing assistance, some of the activities funded with HOPWA grants in the past include a comprehensive needs assessment and the development of a five-year plan for meeting the housing needs of people living with HIV. To respond to the difficulty isolated Minnesotans experience in locating and accessing services, Minnesota HOPWA funds also have been used to fund an information and housing intervention network to connect participants to needed services that will help individuals maintain their housing or obtain housing.

Presently HOPWA funds are used to assist people living with HIV in Greater Minnesota to prevent homelessness through the provision of short-term emergency housing (rental and mortgage assistance) and utility payments. In FFY 2010, 72 percent of assisted households had incomes below 30 percent of area median income and 89 percent had incomes below 50 percent of area median income. HOPWA funds were used to assist households in 44 of the 76 counties in Greater Minnesota.

Case managers or service providers refer the majority of applicants for emergency assistance. As part of the application process, clients are asked to work with their case managers to strategize how they will be able to maintain their housing. Of the 155 households assisted with HOPWA, 110 received short-term assistance the previous year, and 68 the year before. This may include up to two months of rent or mortgage assistance, and/or utility assistance, particularly as home heating costs during the winter in Minnesota have risen and can put a low-income household at risk of experiencing homelessness. Funding through HOPWA plays a significant role in helping persons living with HIV/AIDS and their families living in Greater Minnesota maintain safe and affordable housing. When persons living with HIV/AIDS have safe and affordable housing they improve their access to health care and other support services.

Following priorities set by the Minnesota HIV Housing Coalition, which acts as an advisory group to make recommendations for HOPWA funding, renewals for ongoing programs receive funding priority. There is a separate renewal process for ongoing HOPWA programs. If funds appropriated exceed the amount necessary to continue those programs at comparable levels, or if priorities change to address changing needs, those funds will be made available in the Minnesota Housing Multifamily Consolidated RFP process.

The principles that guide the work of the Minnesota HIV Housing Coalition are to:

- Improve access to housing for people living with HIV/AIDS,
- Expand the range of housing options for people living with HIV/AIDS,
- Continue Quality Improvement – provide housing and services based on promising best practices, and

- Provide advocacy and education.

Minnesota Housing will continue to administer HOPWA funds for Greater Minnesota in cooperation with the Minnesota HIV Housing Coalition. Due to limited funds and high demand, it is expected that subsequent funding will go toward continuing the emergency housing assistance provided by the Minnesota AIDS Project in Greater Minnesota.

More detailed information on the availability or use of HOPWA funds is available by contacting Minnesota Housing or visiting this website:
www.mnhousing.gov/initiatives/housing-assistance/rental/MHFA_004599.aspx

General Project Sponsor Information (for each project sponsor):

1-C. Program Year 4 CAPER Specific HOPWA Objectives

Barriers	Strategies
1. There has been an increase in the number of people living with HIV in Greater Minnesota, and the need for financial assistance continues to grow. This population is struggling with limited financial resources, increased cost of living expenses, and a shortage of permanent affordable housing opportunities.	1. Working with other state agencies to make other funds available or leverage funds. The emergency housing assistance HOPWA program uses a lottery system each month and limits assistance to two months per household up to the monthly allotment of available funds, in order to ensure that the funds are available throughout the year.
2. Reduced state Human Services funding has resulted in fewer dollars for services, and caused the elimination of staff positions in the non-profit organizations delivering services to persons living with HIV/AIDS, and added many new responsibilities to the remaining staff.	2. Worked with other state agencies and nonprofits to survey the needs of persons with HIV/AIDS in rural Minnesota. Information from the survey was used to target funding and activities. Work with other state agencies to increase service funding that will help households access and maintain affordable housing.
3. Rural Minnesota service providers are often unaware of the persons in their community who are living with HIV/AIDS, and may be unaware of the needs of these persons, or may have prejudices that affect the availability of housing.	3. Work with other agencies, organizations, housing and service providers to provide information and training, which is used to promote education and increase housing opportunities.

PART 2: Accomplishments Data - CAPER Chart 1 (planned goal) and Chart 2 (actual)

	HOPWA Performance Charts 1 (planned goal) and 2 (actual)	Outputs Households				Funding		
		HOPWA Assistance		Non-HOPWA		e.	f.	g.
		a.	b.	c.	d.			
		Goal	Actual	Goal	Actual	HOPWA Budget	HOPWA Actual	Leveraged Non-HOPWA
1.	Tenant-based Rental Assistance							
2.	Units in facilities supported with operating costs: <u>Number of households supported</u>							
3.	Units in facilities developed with capital funds and placed in service during the program year: <u>Number of households supported</u>							
4.	Short-term Rent, Mortgage and Utility payments	150	155			\$112,888	\$112,376	\$43,140
	Housing Development (Construction and Stewardship of facility based housing)	Output Units						
5.	Units in facilities being developed with capital funding but not yet opened (show units of housing planned)							
6.	Stewardship (developed with HOPWA but no current operation or other costs) Units of housing subject to 3- or 10- year use agreements							
7.	Adjustment to eliminate duplication (i.e., moving between types of housing)							
	Total unduplicated number of households/units of housing assisted							
	Supportive Services	Output Households						
8.	i) Supportive Services in conjunction with <u>HOPWA</u> housing activities ¹							
	ii) Supportive Services <u>NOT</u> in conjunction with HOPWA housing activities ²							
9.	Adjustment to eliminate duplication							
	Total Supportive Services							
	Housing Placement Assistance³							
10.	Housing Information Services							
11.	Permanent Housing Placement Services							
	Total Housing Placement Assistance							
	Housing Development, Administration, and Management Services							
12.	Resource Identification to establish, coordinate and develop housing assistance resources							
13.	Grantee Administration (maximum 3% of total) (i.e., costs for general management, oversight, coordination, evaluation, and reporting)					\$3,735	\$3,735	
14.	Project Sponsor Administration (maximum 7% of total) (i.e., costs for general management, oversight, coordination, evaluation, and reporting)					\$8,455	\$7,866	
	Total costs for program year					\$125,078	\$123,977	

1. Supportive Services in conjunction with HOPWA Housing Assistance: if money is spent on case management and employment training, outcomes must be reported in Access to Care and Support (See Chart 4-a).

2. Supportive Services NOT in conjunction with HOPWA Housing Assistance: if money is spent on case management and employment training, outcomes must be reported in Access to Care and Support (See Chart 4 -c.).

3. Housing Placement Activities: if money is spent on housing placement activities in conjunction with HOPWA Housing Assistance, outcomes must be reported in Access to Care and Support (See Chart 4-a); if not in conjunction with HOPWA Housing Assistance, outcomes must be reported in Access to Care and Support (See Chart 4-c).

3. Instructions on HOPWA CAPER Chart 3 on Measuring Housing Stability Outcomes:

Type of Housing Assistance	[1] Total Number of Households Receiving HOPWA Assistance	[2] Number of Households Continuing	[3] Number of Exited Households Component and Destination
Tenant-based Rental Assistance			1 (Emergency Shelter) =
			2 (Temporary Housing) =
			3 (Private Housing) =
			4 (Other HOPWA) =
			5 (Other Subsidy) =
			6 (Institution) =
			7 (Jail/Prison) =
			8 (Disconnected) =
			9 (Death) =
Facility-based Housing Assistance			1 (Emergency Shelter) =
			2 (Temporary Housing) =
			3 (Private Housing) =
			4 (Other HOPWA) =
			5 (Other Subsidy) =
			6 (Institution) =
			7 (Jail/Prison) =
			8 (Disconnected) =
			9 (Death) =
Short-term Housing Assistance	Total Number of Households Receiving HOPWA Assistance	Of the Total number Households Receiving STRMU Assistance this operating year	Status of STRMU Assisted Households at the End of Operating Year
Short-term Rent, Mortgage, and Utility Assistance	155	What number of those households received STRMU Assistance in the prior operating year: 110	1 (Emergency Shelter) =
			2 (Temporary Housing) =
			3 (Private Housing)* = 150
		What number of those households received STRMU Assistance in the two (2) prior operating years (ago): 68	4 (Other HOPWA) =
			5 (Other Subsidy) =
			6 (Institution) =
			7 (Jail/Prison) =
			8 (Disconnected) = 3
			9 (Death) = 2

4. HOPWA Outcomes on Access to Care and Support

Categories of Services Accessed	Households Receiving Housing Assistance within the Operating Year	Outcome Indicator
1. Has a housing plan for maintaining or establishing stable on-going housing.	139	<i>Support for Stable Housing</i>
2. Has contact with case manager/benefits counselor consistent with the schedule specified in client's individual service plan..	138	<i>Access to Support</i>
3. Had contact with a primary health care provider consistent with the schedule specified in client's individual service plan,	141	<i>Access to Health Care</i>
4. Has accessed and can maintain medical insurance/assistance.	149	<i>Access to Health Care</i>
5. Successfully accessed or maintained qualification for sources of income.	139	<i>Sources of Income</i>

	A. Monthly Household Income at Entry or Residents continuing from prior Year End	Number of Households			B. Monthly Household Income at Exit/End of Year	Number of Households
i.	No income			i.	No income	
ii.	\$1-150			ii.	\$1-150	
iii.	\$151 - \$250			iii.	\$151 - \$250	
iv.	\$251- \$500			iv.	\$251- \$500	
v.	\$501 - \$1,000			v.	\$501 - \$1,000	
vi.	\$1001- \$1500			vi.	\$1001- \$1500	
vii.	\$1501- \$2000			vii.	\$1501- \$2000	
viii.	\$2001 +			viii.	\$2001 +	

VI. ESG Program Narrative

Every year in Minnesota, persons without shelter die of exposure to the elements. Sheltering persons with ESG funds provides a safe place to stay and shelter enhances access to services such as transitional housing, permanent housing, and other mainstream resources. For state Consolidated Plan Program Year 2010, the state assisted 13,144 homeless persons with ESG funding (a significant decrease from 2009 in the number of individuals assisted due to change of grantees and no longer funding prevention activities).

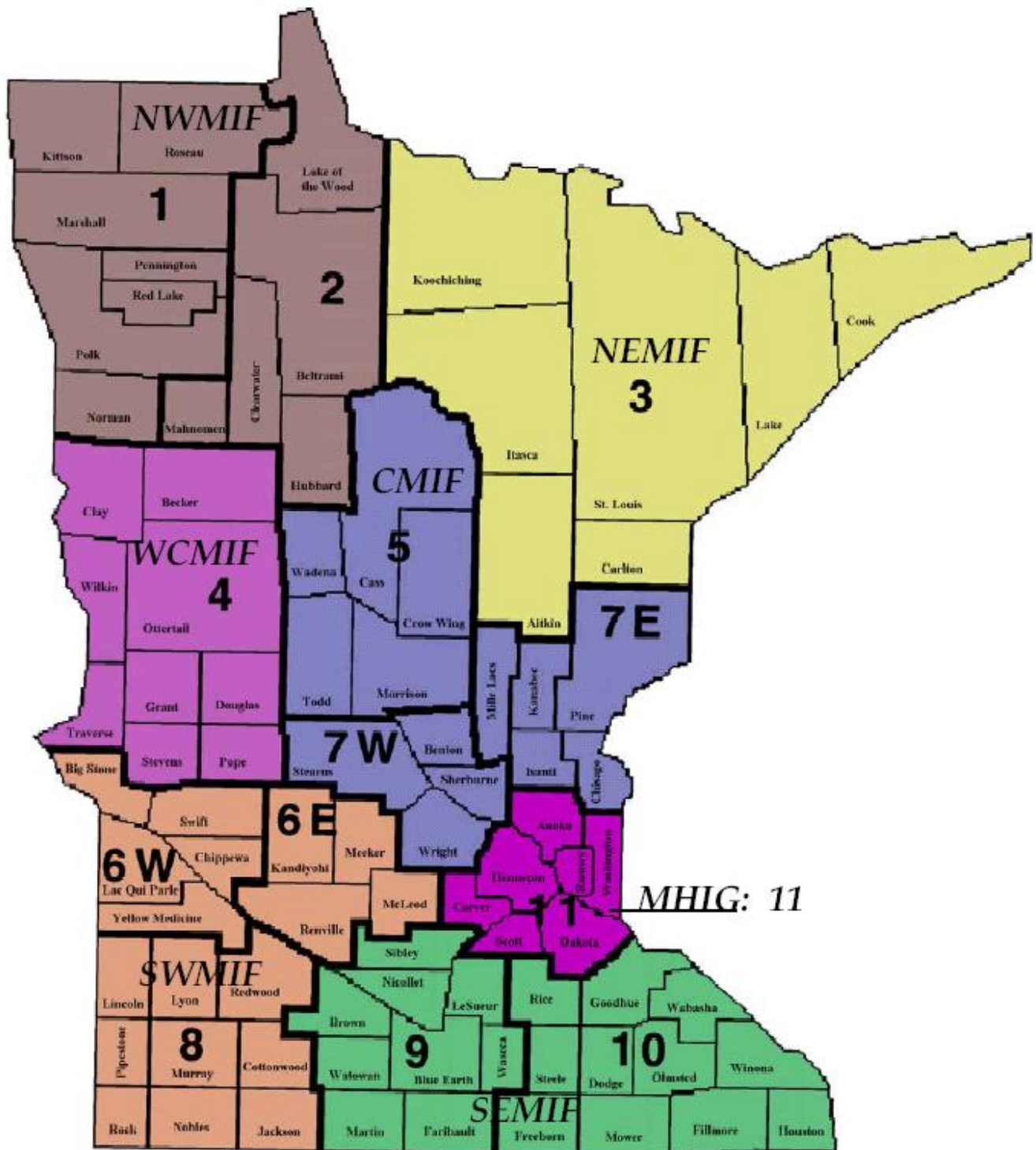
The state used Emergency Shelter Grant Program funding of \$1,240,248 in FFY 2010 to support the ongoing efforts to provide shelter and to provide supportive services to homeless persons. DHS provided ESG funds to emergency shelter and supportive service only projects for the purpose of maintaining current levels of service.

ESG funds were used to provide supportive services to persons through the shelter program they were staying in or at drop-in centers. Supportive services included case management, transportation, mental health care, substance abuse treatment, childcare, and legal advice and assistance.

The State of Minnesota Interagency Task Force on Homelessness, in consultation with the Minnesota Housing Partnership, has provided technical assistance to assist in the establishment of Continuum of Care Committees across the state. Currently, 11 Continuum of Care (CoC) regions exist in Minnesota covering the entire state. DHS has offered each CoC committee the opportunity to review and provide recommendations on each ESG application submitted from their region, as well as other DHS-administered homeless programs. This ensures that ESG funding is used to address locally determined priorities for shelter and transitional housing.

The state does not have the resources to formally evaluate the outcomes of ESG funded shelter and supportive services, but it is generally agreed upon by service providers, Continuum of Care committees and the state's Interagency Task Force on Homelessness that ESG not only provides homeless persons with a safe place to stay, but also serves as a point from which people may be referred to other needed services and housing.

EVHI Regions and Economic Development Codes



The color-coded areas are the seven current Minnesota Initiative Fund Regions.
Old Economic Development regions are numbered 1 – 11.

Minnesota Counties by Region

Northwest:	Beltrami	West Central:	Becker	Southwest:	Big Stone	Southeast:	Blue Earth	Metro:	Anoka
	Clearwater		Clay		Chippewa		Brown		Carver
	Hubbard		Douglas		Cottonwood		Dodge		Dakota
	Kittson		Grant		Jackson		Faribault		Hennepin
	Lake of the Woods		Otter Tail		Kandiyohi		Fillmore		Ramsey
	Mahnomen		Pope		Lac Qui Parle		Freeborn		Scott
	Marshall		Stevens		Lincoln		Goodhue		Washington
	Norman		Traverse		Lyon		Houston		
	Pennington		Wilkin		McLeod		Le Sueur		
	Polk				Meeker		Martin		
	Red Lake	Central:	Benton		Murray		Mower		
	Roseau		Cass		Nobles		Nicollet		
			Chisago		Pipestone		Olmsted		
Northeast:	Aitkin		Crow Wing		Redwood		Rice		
	Carlton		Isanti		Renville		Sibley		
	Cook		Kanabec		Rock		Steele		
	Itasca		Mille Lacs		Swift		Wabasha		
	Koochiching		Morrison		Yellow Medicine		Waseca		
	Lake		Pine				Watonwan		
	Saint Louis		Sherburne				Winona		
			Stearns						
			Todd						
			Wadena						
			Wright						

Guide to Acronyms

CAPER	Consolidated Annual Performance and Evaluation Report
CDBG	Community Development Block Grant (federal)
CHDO	Community Housing Development Organization
CoC	Continuum of Care
CPD	Community Planning and Development (HUD department)
DHS	Minnesota Department of Human Services
DEED	Minnesota Department of Employment and Economic Development
ESG	Emergency Shelter Grant (federal)
FNMA	Federal National Mortgage Association
HMIS	Homeless Management Information System
HOPWA	Housing Opportunities for Persons with AIDS (federal)
HTC	Housing Tax Credits (federal)
HUD	U.S. Department of Housing and Urban Development
IDIS	HUD's information system
LISC	Local Initiatives Support Corporation
LMI	Low and moderate income
MDH	Minnesota Department of Health
MFIP	Minnesota Family Investment Program
PATH	Projects for Assistance in Transition from Homelessness (federal)
RD	Rural Development, U.S. Department of Agriculture (USDA)
SCDP	Small Cities Development Program (federal)
SHP	Supportive Housing Program (federal)

HOME Compliance Status Report for 2010

HOME Compliance Status
10/1/2009 to 9/30/2010

12/23/2010

D#	Property Name	Property City	Total Units	# of HOME units	Date of physical inspection	Date of File review	Comments	Compliance Status
D0005	Ripple River Townhomes (aka Springfield Place)	Aitkin	32	30	10/15/2010	10/15/2010	Tenant file violations. Missing utility allowance source documentation. No HQS violations.	correction pending
D0009	Trailside Apartments	Albert Lea	110	79	9/27/2010		HQS Violations and owner failed to submit affirmative marketing and resident selection plan for review.	correction pending
D0017	1111 - 2nd Avenue	Wheaton	1	1			Paid back HUD for this loan on 6/30/2010.	
D0102	Sun Crest II	Avon	12	10				
D0106	Otterkill Garden Apartments	Bagley	30	15	5/12/2010	12/30/2010		Inspection in process
D0121	Red Pine Estates	Bemidji	86	77	5/14/2010	9/9/2010	Rent violation	correction pending
D0137	Carter Place	Bemidji	18	10	5/13/2010	6/2/2010		In compliance
D0140	Ridgeway Court III	Bemidji	24	9	9/9/2010	9/9/2010	Physical violations	correction pending
D0141	Ridgeway Court IV	Bemidji	24	9	9/9/2010	9/9/2010		In compliance
D0213	Trail Ridge	Brainerd	18	17	6/15/2010	10/8/2010		In compliance
D0216	College Drive Townhouses	Brainerd	24	20				
D0274	Cannon Falls Congregate (stonehouse)	Cannon Falls	32	32			Discrepancy with effective period end date is in process of being resolved.	correction pending
D0314	Larson Commons	Cloquet	85	73	8/8/2010	8/23/2010	Tenant file violations have been corrected.	In compliance
D0405	Honeytree Apartments	Delano	25	22				
D0419	The Crossroads	Dodge Center	37	37				
D0492	Dove Terrace Apartments	Elk River	50	46	10/27/2010	10/27/2010		In compliance
D0548	Pine Street Apartments	Foley	8	6			Tenant file violations	In compliance
D0655	Evergreen Apartments	Hutchinson	62	61	10/27/2010	10/27/2010	Tenant files are missing lead based paint disclosure statement; owner failed to supply utility allowance and affirmative marketing documentation	correction pending
D0665	Jackson Family Housing	Jackson	12	12				
D0671	Oakwood Homes	Karlstad	45	8	4/14/2010			Inspection in process
D0720	Park Terrace	Mahnomen	18	11				
D0722	Cherry Ridge Apartments	Mankato	83	52	9/22/2010			Inspection in process
D0737	Mankato Transitional Housing	Mankato	7	3	6/30/2010	12/10/2010	One tenant file is missing income documentation. HQS violations were corrected.	correction pending
D0999	River Park View Apartments	Monticello	31	31	10/28/2010	10/28/2010		In compliance
D1031	Eastwood Manor	Motley	15	13	9/21/2010	12/16/2010		In compliance
D1048	Westgate-New Prague	New Prague	37	36				
D1072	Three Links	Northfield	84	84				
D1123	Prairie Manor Apartments	Pierz	16	15				

HOME Compliance Status
10/1/2009 to 9/30/2010

12/23/2010

D#	Property Name	Property City	Total Units	# of HOME units	Date of physical inspection	Date of File review	Comments	Compliance Status
D1194	Jordan Tower II	Red Wing	104	75	8/20/2010	8/20/2010		In compliance
D1203	626 Bush Street	Red Wing	3	3				
D1330	Bandel Hills TH	Rochester	25	11				
D1390	Russell Arms/Benton Heights	Sauk Rapids	91	81	9/24/2010	10/20/2010	Rent violations - overage was refunded.	In compliance
D1484	La Cruz Community (fka Great River Commons)	Saint Cloud	104	26	9/22/2010	9/27/2010	HQS violations. Owner corrected exigent health & safety violations.	correction pending
D1492	Woodland Village TH	Saint Cloud	32	8	8/3/2010	8/2/2010	Property did not meet floating unit mix for designated bedroom sizes	correction pending
D1692	Evergreen-Waconia	Waconia	46	36	7/14/2010	12/27/2010	No HQS violations. File review to be completed on 12/27/2010.	Inspection in process
D1717	Warroad Townhomes	Warroad	30	10	5/11/2010			Inspection in process
D1768	Garden Court	Winnebago	36	28	9/27/2010	9/27/2010		In compliance
D1782	Viking Terrace	Worthington	60	51	9/16/2010			
D1832	Fairview Apts -- Fairfax, MN	Fairfax	25	21	12/22/2010	12/22/2010	HQS violation.	correction pending
D1886	Three Rivers Duplexes	Northfield	8	8				
D1893	Fisher Townhomes	Fisher	10	10				
D1932	City Of Fosston / Fosston Eds	Fosston	14	14	9/28/2010	9/28/2010		In compliance
D2233	Lake Grace Apartments	Chaska	96	45	10/27/2010	10/27/2010	Tenant file violations	correction pending
D2346	Maple Lake Housing Dev Corp	Maple Lake	62	58	10/28/2010	11/10/2010	HQS Violations were corrected. Tenant file violations are in process of correction	correction pending
D2391	West Birch Townhomes	Princeton	24	8	8/25/2010	8/25/2010	HQS Violations were corrected. Tenant file violations are in process of correction	correction pending
D2393	Ridgeview Court Townhomes	Paynesville	20	8	10/28/2010	11/9/2010	HQS violation.	correction pending
D2521	Broadway Apartments -- (Crookston)	Crookston	60	12				
D2631	Groundhouse Apts	Ogilvie	8	7				
D3038	Willow Run II	Willmar	43	28	9/28/2010	9/28/2010	HQS & Tenant file Violations	In compliance
D3066	Willow Run I	Willmar	78	64	9/28/2010	9/28/2010	HQS Violations	correction pending
D3223	The Bell Apts	Belgrade	28	28	10/28/2010	12/16/2010		In compliance
D3344	Hartshorn Manor	Madelia	40	39	9/14/2010	9/14/2010		In compliance
D3360	Oak Ridge Manor -- Melrose	Melrose	25	22				
D3382	Wolverton Community Development Corp	Wolverton	8	6	10/14/2010	10/14/2010		In compliance
D3421	Parkview I & II	Pequot Lakes	36	30	9/21/2010	10/11/2010		In compliance

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D3433	Country Village Apts	Redwood Falls	60	33	9/15/2010	12/2/2010	Tenant file & HQS violations. Failure to submit affirmative marketing and resident selection plan for review	correction pending
D3518	Watkins Area Homes II	Watkins	36	36	12/30/2010	12/30/2010		inspection in process
D3637	The Lofts at Lea Center	Albert Lea	37	21	8/24/2010	11/1/2010		In compliance
D3787	New San Marco Apartments	Duluth	70	6	6/10/2010	6/17/2010		In compliance
D3834	Rolling Heights	Byron	16	14	8/5/2010	9/15/2010	HQS & tenant file violations were corrected	In compliance
D3884	Riverwood Pines	Little Falls	24	19				
D4039	1255 4 1/2 St NW	Rochester	6	6				
D4046	Pederson, Joey Allen/Julie Ann	East Grand Forks	4	4				
D4073	The Francis (aka Candle Rose Apts)	Rochester	18	17	9/17/2010	9/17/2010	Tenant File violations were corrected.	In compliance
D4103	Westbrook Apartments	Westbrook	24	19				
D4143	721 & 721 1/2 W. 5th Street	Zumbrota	2	2				
D4163	Oak Valley LLC	Chatfield	13	11	8/25/2010	8/25/2010	HQS Violations	correction pending
D4164	Olmsted County HRA	Rochester	1	1				
D4165	B & G Properties	Mankato	8	7	8/10/2010	9/8/2010	Tenant file violations and owner failed to provide tenant selection plan for review	correction pending
D4166	800 Winona	Chatfield	8	6	8/25/2010	8/25/2010	HQS Violations	correction pending
D4167	Siewert, Paul	Red Wing	3	3				
D4168	815 Grand	Chatfield	8	8	8/25/2010	8/25/2010	HQS Violations	correction pending
D4169	Savage, James	Chatfield	8	8	8/25/2010	8/25/2010	HQS Violations corrected	In compliance
D4170	Northwest Housing Apartments	Fertile	12	11	10/1/2010	12/2/2010		In compliance
D4171	Lee, Emery/Francisco	Thief River Falls	8	7	9/30/2010	9/30/2010	Tenant file violations	correction pending
D4172	John and Lacy Bridgeford	Crookston	2	2				
D4173	528 Spruce Street West	Fergus Falls	2	2				
D4174	317 South Cascade	Fergus Falls	6	6	10/13/2010	12/16/2010	HQS violations, failure to submit tenant files for review, failure to submit affirmative marketing, lead based paint records, tenant selection plan for review	correction pending
D4175	Holdingford Housing Corporation	Holdingford	16	12	9/22/2010	9/27/2010	HQS violations were corrected. Tenant file violations waiting for correction.	correction pending
D4176	Maus, Terence/Lawrence	Rochester	24	24	9/10/2010	9/10/2010	HQS and tenant file violations	correction pending
D4179	Gulickson, Mark/Ann	Rochester	8	8	9/21/2010	9/21/2010	HQS and tenant file violations	correction pending
D4183	Lakeside Apartments	Saint Cloud	12	11	11/24/2010	11/23/2010	HQS and tenant file violations	correction pending

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D4184	John J. Hockett and Beatrice D. Hockett	Wadena	2	2				
D4185	Three C Rentals	Wadena	3	3				
D4186	Ferndale Estates, Inc.	Askov	14	11	10/21/2010	11/8/2010	Tenant file violations	correction pending
D4204	312 SE Uitchfield Avenue	Willmar	3	4				
D4225	Grove City Community Homes	Grove City	26	21	9/29/2010	9/29/2010	HQS and tenant file violations	correction pending
D4267	914 North 2nd Street	Mankato	3	3				
D4289	Oklee Senior Citizens Homes, Inc	Oklee	19	16	9/28/2010	9/28/2010	HQS and tenant file violations	correction pending
D4290	Brooks Senior Citizens Homes, Inc	Brooks	14	10	10/28/2010	9/28/2010	HQS and tenant file violations	correction pending
D4291	Plummer Senior Citizens Homes, Inc	Plummer	12	10	9/28/2010	9/28/2010	HQS and tenant file violations	correction pending
D4433	Skjervén, Michael/Heidi	Thief River Falls	2	2				
D4434	Riverview Apartments	Sebeka	20	11				
D4435	Clarissa Manor	Clarissa	8	6				
D4442	3 C Rentals	Wadena	4	4				
D4443	Anderson, Shawn/Elissa	Park Rapids	4	3				
D4450	Ouverson, Clarence/Edith	Montrose	30	24	10/25/2010	10/25/2010	Tenant file violations	correction pending
D4451	Isanti Community Services, Inc.	Isanti	28	22	10/21/2010	10/21/2010	Tenant file violations	correction pending
D4547	Ryan, Patrick	Rochester	16	15	10/12/2010	11/16/2010	HQS and tenant file violations	correction pending
D4753	Milan Community Homes, Inc	Milan	6	4				
D4769	Hancock Housing	Hancock	8	7				
D4799	221 Walnut Street	Mankato	6	6	8/10/2010	8/10/2010	Tenant file violation was corrected	In compliance
D5276	242 5th St E	Red Wing	3	3				
D5291	520 4th St S	Mankato	3	3				
D5341	1016 8th Street	Wadena	2	2			This property was affected by a tornado in June 2010. Inspection was scheduled for 2010 but moved to 2011 to allow owner to make necessary repairs.	
D5342	421 1st Street East	Thief River Falls	2	2	9/30/2010	9/30/2010	Tenant file violations	correction pending
D5343	Pine West Complex	Cold Spring	42	37	12/30/2010	12/30/2010		Inspection in process
D5344	301 & 315 E. Frazee and 350 E. Scharf	Vergas	21	15				
D5346	500 3rd Street SE	Perham	8	6				
D5347	26 W. Mill St.	Pelican Rapids	1	1	9/21/2010	9/21/2010		In compliance
D5348	22 - 24 5th Street NW	Glenwood	2	2				
D5349	317 7th Ave. E.	Alexandria	3	3				
D5352	321 7th Ave. E.	Alexandria	4	4				
D5353	1019 Bryant Street	Alexandria	1	1	9/27/2010	10/11/2010	HQS violations	correction pending
D5354	305 4th Ave. East	Alexandria	9	7				

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D3384	480 W. Main Street	Ozark	24	19	9/27/2010	11/8/2010	HQS and tenant file violations. No utility allowance source documentation.	correction pending
D3386	716 -718 North Broadway	Rochester	6	6				
D3387	115-117 East 8th St.	Zumbrota	2	2	8/18/2010	10/22/2010	HQS and tenant file violations.	correction pending
D3388	1013 Peaceful Ridge Road	Red Wing	3	3	8/19/2010	8/30/2010		In compliance
D3389	466 9th Street	Red Wing	2	2	9/2/2010	11/8/2010	HQS and tenant file violations.	correction pending
D3391	Belle Haven Apartments	Belle Plaine	32	23	9/17/2010	9/17/2010	HQS and tenant file violations.	correction pending
D3392	1709 Pacific Ave.	Benson	5	5				
D3423	828-830 5th St N	Mankato	7	7				
D3583	303 Whited Street	Jeffers	8	7				
D3604	503 2nd Ave. SW	Pipestone	4	4	9/15/2010	9/15/2010	Tenant file violations	correction pending
D3624	G.E.M. Apartments	Madelia	12	10				
D3626	908 7th Avenue NW	Rochester	1	1	9/17/2010	9/17/2010	Tenant file violations	correction pending
D3628	424 W 5th St	Red Wing	8	8				
D3629	1730 Old West Main	Red Wing	1	1	8/20/2010	8/23/2010	Tenant file violation was corrected	In compliance
D3644	Englehardt Apts	Rochester	12	8				
D3647	301 4th St E	Red Wing	1	1	8/20/2010	8/20/2010		
D3717	509 E. Main Street	Madelia	12	10				
D3718	719 1st St SW	Rochester	11	10	9/21/2010	9/21/2010	HQS and tenant file violations	correction pending
D3811	Dawson Housing Inc	Dawson	33	33	12/22/2010	12/22/2010	HQS and tenant file violations.	correction pending
D3820	Savage, Gladys	Red Wing	2	2				
D3823	122 5th St S	Mankato	3	3				
D3824	Red Wing Housing Limited Partnership	Red Wing	30	24	9/27/2010	11/12/2010	HQS and tenant file violations were corrected. Failure to provide utility allowance source documentation was corrected.	In compliance
D3830	Burnsdale III	Montevideo	16	14				
D3832	Stroot, Michael Robert	Wabasha	1	1				
D3834	222 Willow Street	Faribault	4	4				
D3835	Blume, Ronald	Hayfield	8	8	8/24/2010	10/27/2010	HQS violations. Tenant files were destroyed in fire. Owner is in process of reconstructing tenant files. Extension to respond to notice of noncompliance was granted.	correction pending
D3836	White, David/Marjorie	Winona	2	2	8/18/2010	8/18/2010	HQS and tenant file violations were corrected.	In compliance
D3838	Kerkhoven Housing Association	Kerkhoven	8	4				
D3840	Wencel George Wertish	Olivia	1	1				
D3841	Steffel, Todd	Hoffman	4	4				
D3843	Wertish, Wencel	Olivia	2	2				
D3845	Philip Boyer	Rochester	5	5				
D3846	376 Minnesota St	Winona	3	3				

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D3847	J & C Properties LLC	Winona	4	4				
D3848	Olmsted County HRA	Rochester	2	2				
D3849	Olmsted County HRA	Rochester	1	1				
D3851	G Properties LLC	Rochester	7	7	9/10/2010	9/10/2010	HQS and tenant file violations.	correction pending
D3863	Dilworth Apartments LLC	Dilworth	4	4				
D3865	Macheel, Dennis And Cindy	Lake Park	12	8				
D3866	Sanborn Community Housing	Sanborn	12	10				
D3868	Old City Hall Apartments	Waconia	13	10				
D3933	115 6th St NE	Staples	2	2				
D3934	145 2nd Ave. NE	Elgin	12	12	8/19/2010	8/30/2010	HQS and tenant file violations were corrected.	In compliance
D3982	Tamarac Manor	Underwood	16	11	9/21/2010	9/21/2010		In compliance
D3994	118 Conley Ave S	Thief River Falls	4	4				
D6015	508 2nd Ave NE, Staples	Staples	3	3				
D6016	325 Minnesota Ave NW, Bemidji	Bemidji	7	7			Owner failed to respond to agency request for inspection	correction pending
D6017	Sunrise View Apartments	Warren	24	24	9/29/2010	9/29/2010	HQS and tenant file violations. Failure to provide tenant selection plan for review.	correction pending
D6018	Gonvick Community Homes	Gonvick	8	8				
D6034	Mayview Apartments	Akeley	20	16				
D6035	B & E Apartments	Staples	14	11				
D6036	B&E Apartments	Staples	12	10	12/30/2010	12/30/2010		Inspection in process
D6038	Willows Apartments	Little Falls	21	21	9/27/2010	10/11/2010	Tenant file violations were corrected.	In compliance
D6039	Wimmer Homes	Ada	14	9	9/29/2010	9/29/2010	HQS and tenant file violations	correction pending
D6042	1330 2nd St SE, Rochester	Rochester	11	10	9/10/2010	9/10/2010	HQS and tenant file violations. Failure to provide affirmative marketing for review.	correction pending
D6043	Mar-Bel Homes, Inc.	Grygla	28	10	9/30/2010	9/30/2010	HQS violation and failure to provide affirmative marketing for review.	correction pending
D6083	Haffner Rental	Elgin	6	6	8/19/2010	9/2/2010	HQS and tenant file violations.	correction pending
D6084	Boyer I & II Apts.	Moorhead	8	6	10/12/2010	10/12/2010		In compliance
D6085	2414 3rd Ave N	Moorhead	18	18	10/12/2010	10/12/2010	HQS and tenant file violations	correction pending
D6088	462 6th St N	Mankato	2	2				
D6089	312 4th St N	Mankato	3	3				
D6091	416 Broad St N	Mankato	3	3				
D6092	1930 - 1930 1/2 3rd Ave	Mankato	2	2				
D6093	108 5th St S	Mankato	2	2				
D6094	321 Broad St N	Mankato	2	2				
D6095	403 Broad St N	Mankato	3	3				
D6096	313 Riverfront Dr N	Mankato	2	2				
D6097	301 Riverfront Dr N	Mankato	14	14				
D6100	Parkview Apartments	Brownston	16	16				

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D6101	321 1st St S	Willmar	2	2				
D6102	908 2nd St SW	Willmar	1	1				
D6103	Midway Apartments	Brownston	12	12				
D6106	North State Apartments	Waseca	24	24				
D6107	913 East Vernon	Fergus Falls	4	3			Building burned down. Repaid HUD with proceeds from insurance.	
D6401	Wabasha Apartments	Wabasha	24	24				
D6402	Loki Properties LLP	Red Wing	4	4				
D6404	1309 Bush St	Red Wing	1	1				
D6406	1333 12th St	Red Wing	2	2				
D6408	321 Riverfront Dr N	Mankato	2	2				
D6409	116 Sheabut St	Mankato	2	2				
D6411	328 Carney Ave	Mankato	2	2				
D6412	312 Pleasant St E	Mankato	2	2				
D6417	719 1st St NW	Rochester	3	3				
D6418	15 11th Ave NE	Rochester	4	4				
D6419	419 11th St NW	Rochester	1	1				
D6420	1718 45th St NW	Rochester	4	3				
D6421	206 6th St SE	Stewartville	25	20				
D6422	553 2nd St SW	Perham	3	3				
D6423	Braham Heights	Braham	12	11				
D6424	Richhaven Apts	Richmond	20	19				
D6427	149 Welcome Ave E	Mankato	4	4				
D6428	106 Iowa Ave	Hoffman	1	1				
D6429	410 10th Ave E	Alexandria	2	2				
D6492	706& 708 Holden Ave	Henning	8	6				
D6734	303 4th St	Hoffman	1	1				
D6754	611 Riverfront Dr N	Mankato	2	2				
D6756	211-213 Washington Ct	Mankato	4	4				
D6757	339 Pleasant St E	Mankato	2	2				
D6854	1908, 1912, 1918 18 1/2 Ave NW	Rochester	12	11				
D6994	1700 45th St NW	Rochester	4	4				
D7054	1706 45th St NW	Rochester	4	4				
D7074	407 1st Ave NE	Byron	6	6				
D7093	611 Bluff St	Red Wing	2	2				
			3722	2846				